

Thatcher 'spoke to Peres' about nuclear reports

BY OUR FOREIGN STAFF

Senior Israeli politicians are claiming that Mrs Margaret Thatcher, the British Prime Minister, was involved in talks in late September with Mr Shimon Peres, then Israel's Prime Minister, about planned nuclear capacity.

The Israeli Government, about Mr Vanunu prior to his departure from Britain. She also denied that any member or official of the Israeli Government told her of their intention to seek to procure the return of Mr Vanunu from Britain.



Marshal Sokolov: reported to be ill

Sokolov misses parade

By Patrick Cockburn in Moscow
MARSHAL Sergei Sokolov, the Soviet Defence Minister, missed the military parade commemorating the 69th anniversary of the Bolshevik revolution in Red Square yesterday increasing speculation that he is seriously ill.

Japan to cut coal production by a third

BY CARLA RAPOPORT IN TOKYO

JAPAN is reducing coal output by a third over the next five years, which will put thousands of coal miners out of work.

tonnes by 1991, compared with 14.8m tonnes this year and 17.7m tonnes last. This is expected to reduce the price of domestic coal and clear the way for more imports.

speculate on how many miners would lose their jobs. Government officials said assistance to the industry and affected communities would be increased from ¥800bn (€245m) this year to ¥1100bn next.

Japan's cement industry, which bought nearly 2m tonnes of coal last year, will no longer be required to buy domestic coal, thereby opening the market to foreign producers.

turn in industrial activity. The stimulus to the rationalisation plan came from domestic consumers, who were no longer willing to pay three times the international market price for domestic coal.

Nakasone to discuss trade on visit to Peking

BY OUR TOKYO STAFF

JAPAN'S Prime Minister, Mr Yasuhiro Nakasone, arrives in Peking today for a 25-hour visit aimed at reducing trade friction between Japan and China.

WHEN Yasuhiro Nakasone is driven this weekend along Chang An, the street that cuts through the heart of Peking, he will probably notice that many billboards advertising Japanese products have disappeared since he was last here two years ago, writes Robert Thomson.

just a question of aesthetics. Chinese leaders are keen to have Mr Nakasone here now that he has won the right to lead Japan for a third time, and is the man with whom China must do business. He will be welcomed warmly, as the Chinese are pleased that he promptly disposed of the Education Minister, Mr Masayuki Fujio, whose attempts to gloss over the brutality of the Second World War infuriated Peking.

Far East initiative. Japanese diplomats here say that negotiations have been very similar, with both countries appreciating that Moscow has launched an important drive but has yet to give substantial ground on major issues.

the Japanese foreign ministry believes the subject will not be raised by the Chinese. Last year, there was a row over Japanese schoolbooks which whitewashed Japan's war crimes in China.

Clarke to press ahead with EEC job strategy

BY QUENTIN PEEL IN BRUSSELS

MR KENNETH CLARKE, the British Employment Minister, announced yesterday he was pressing ahead with plans for an EEC initiative to end unemployment in spite of long opposition from European trade unions.

a decision by fellow EEC employment ministers next month, after a meeting in Brussels with leaders of both trade unions and employers where the document was pointedly not on the agenda.

Britain seeks support for European air fares plan

BY TIM DICKSON IN BRUSSELS

THE BATTLE over Europe's air fares was stepped up yesterday as Britain prepared to face the biggest test of its six-month presidency of the European Economic Community.

misled and that, if agreed, the package "would, politically and legally, bind the hands of all those who still believe in the competition rules."

US jobs rise strongly

By Stewart Fleming in Washington

UNEMPLOYMENT in the United States remained unchanged in October at 7 per cent, but strong gains in the number of people with jobs reinforced the evidence that the economy is continuing to expand at a moderate pace.

the trade imbalance can be easily reduced. The Chinese economy develops, the more the Chinese trade deficit tends to grow.

an interview recently, Mr Kunisaku Takeda, a director of the Ministry for International Trade and Industry, said: "To summarise the current Japan-China trade relations, the more

requirements, however, are shrinking. China's need for machinery, iron and steel, on the other hand, is as great as the Chinese allow it to be.

On the touchy matter of Japan's war record in China, China accounts for 5 per cent of Japan's imports, after the US and the Middle East. Japan accounted for more than a third of China's imports last year and nearly a quarter of its exports.

US jobs rise strongly

By Stewart Fleming in Washington

UNEMPLOYMENT in the United States remained unchanged in October at 7 per cent, but strong gains in the number of people with jobs reinforced the evidence that the economy is continuing to expand at a moderate pace.

Cyprus intercepts PLO attempt to send weapons to Lebanon

BY ANDREW WHITLEY IN JERUSALEM

THE CYPRIOT authorities are reported to have foiled an attempt by the Palestine Liberation Organisation to resupply beleaguered Palestinian refugee camps in Lebanon with weapons and ammunition.

though what the Cypriot government has done with the haul is unknown. On several occasions over the past year Israeli gunboats have intercepted supply vessels chartered by the PLO carrying men and munitions between Cyprus and the nearby Lebanese coast, forcing them into ports in Israel.

the country from their scattered bases around the Arab world, while arms caches are thought to have been rebuilt in and around the main refugee camps.

Italy told to reveal ship contract aid

THE EUROPEAN Commission yesterday called on the Italian Government to provide details of any shipbuilding subsidies involved in winning the contract for a \$150m (€105m) luxury cruise liner.

The French Government claims that the Italian shipbuilder Financieri won a contract for the cruise liner which was to have been built by Chantiers de l'Atlantique, the shipyard owned by the Alstom heavy engineering group. The order was placed by Sinar Cruises of the US.

Chirac denies El Al bomb claim

BY GEORGE GRAHAM IN PARIS

THE FRENCH Government was acutely embarrassed yesterday by renewed US newspaper reports on the links between Syria and the attempted bomb attack on an El Al airliner at London in April.

The reports added fuel to the flames for the French Government, which has come in for criticism from some quarters recently for its refusal to break off relations with Syria, as the UK has sought.

to nine of the 11 measures requested from the other members of the EEC by Sir Geoffrey Howe, the British Foreign Secretary. French policy remained, however, one of maintaining a presence in the Middle East.

Uganda credits

The World Bank is understood to have suspended new development loans to Uganda and criticised President Yoweri Museveni's economic policy. Reuter reports from Kampala. Financial experts said the action could be followed by other Western financial institutions.

Indicted chief of Beech-Nut goes on leave

By William Duffell in Geneva

NESTLE, the Swiss food group, said yesterday Mr Niels Hoyvald, the president of its US subsidiary Beech-Nut, had been given leave of absence following indictment by a US grand jury. Mr John Lavery, the technical manager, who has also been charged, is retiring.

Bonn may back Soviet arms talks proposal

BY PATRICK BLUM IN VIENNA

WEST GERMANY appears ready to endorse the idea that a second phase of the Stockholm disarmament conference should be used for negotiating a Europe-wide reduction in conventional forces as proposed by the Soviet Union.

locked for years mainly because of disagreements about the existing level of forces and about measures to verify compliance with an agreement. Earlier this year a Warsaw Pact meeting in Budapest appealed for substantial reductions in forces "from the Atlantic to the Urals" involving all European states, including the neutrals.

weapons made "efforts for conventional stability even more urgent."

improving, expanding and modernising economic co-operation."

Philippine alert

Philippine President Corason Aquino confirmed yesterday that the country's military were on maximum alert, but said she was confident there would be no coup attempt after she leaves for Japan in three days. AP-DJ reports from Manila. Official assistance and private sector investment are likely to dominate discussions with Japanese political and business leaders during the four-day visit.

Blow to Unita

The chief of Staff of Angola's rebels, Brigadier Alberto Joaquim Chendovava, was killed last month in a road accident in south-east Angola, scene of recent heavy fighting, a rebel spokesman told Reuter yesterday in Lisbon. He is to be replaced by Brig Demostenes Anos Chilinguala.

British Midland fares

British Midland has not raised its business class air fares on the route between Amsterdam and London, the company said yesterday. Passenger traffic on the route has exceeded initial expectations, leading to extra flights.

Gonzalez trip aims to polish Spanish image

BY TOM BURNS IN MADRID

AN 11-day visit to Peru, Ecuador and Cuba by Prime Minister Felipe Gonzalez which starts today is intended to bolster Spain's image in Latin America and to balance the recent European trend in Madrid's foreign policy.

North Atlantic Treaty Organisation. The Prime Minister's backing for Argentina over the Falklands issue, which is perceived in Spain as a parallel claim to Spain's demand for the return of sovereignty over Gibraltar, is in line with the frequently expressed view by Mr Gonzalez and fellow Madrid politicians that Spain has an obligation to act as sponsor for Latin American interests in Europe.

efforts to reduce tension in the south Atlantic. ABC, the conservative Madrid daily, asked whether Mr Gonzalez contemplated sending a fleet to the Falklands in order to protect Spanish trawlers fishing without licences.

The Prime Minister will nevertheless be under pressure during his trip to repeat his views of the Falklands as well as to speak up for "generosity" in the treatment of Latin American debt problems.

A Financial Times Survey READING The Financial Times proposes to publish a Regional Report on the above, on FRIDAY, DECEMBER 19, 1986 For further information, please contact ANDREW WOOD FINANCIAL TIMES 10 CANNON STREET LONDON EC4A 3DF or telephone: 01-248 5116 FINANCIAL TIMES Europe's Business Newspaper



YENNY NOW WRITES ABOUT HER PLANS FOR THE FUTURE, TWO YEARS AGO SHE DIDN'T HAVE ONE.

Just over two years ago Yenny was living in one of the poorest areas of the world. She was severely undernourished and had never seen a school, let alone a book. Fortunately for Yenny, Mrs Deacon of Hull decided to do something about it, and through PLAN International she sponsored her. The money she sent helped Yenny's family buy some basic tools to set up a carpentry business.

Form with checkboxes for sponsorship details: I enclose my first month's £12. Please tell me about the Child I am sponsoring. I enclose a donation. I am interested but would like you to send more details. I would like to pay by Access/Visa. (Credit card payment to become a sponsor must be semi-annual or annual.)

Danish economy fear

Danish economic policy faces "major problems" over the next few years, the autumn report of the Economic Advisory Council, Einar Barner reports from Copenhagen.

Today's trip had originally been planned for the summer of last year but it was cancelled at short notice with the lame excuse that the Prime Minister needed time to prepare the 1986 budget.

After visiting Buenos Aires in December 1984 and Montevideo three months later for the respective swearing-in ceremonies of Presidents Raul Alfonsin and Julio Sanguinetti, Mr Gonzalez immersed himself in the details of Spain's Common Market entry negotiations and the referendum to endorse continued membership of the

the high point of the tour will be a 49-hour session of talks with Mr Fidel Castro, leader of Cuba. Officials said the two leaders would meet privately and that they were expected to break off the talks to go fishing together.

Botha asks businessmen for 'realistic idealism' on reforms

BY ANTHONY ROBINSON IN PRETORIA

PRESIDENT P. W. BOTHA yesterday called for "realistic idealism" from South Africa's business community at the opening of a top level meeting between the Government and 200 leading businessmen.

Unofficial strikes by more than 2,000 men which halted General Motors' two South African plants for eight days ended yesterday with none of the issues settled.

and political factors are so closely interwoven, further reforms in the economic and political fields are largely complementary.

Maputo angry over allegations

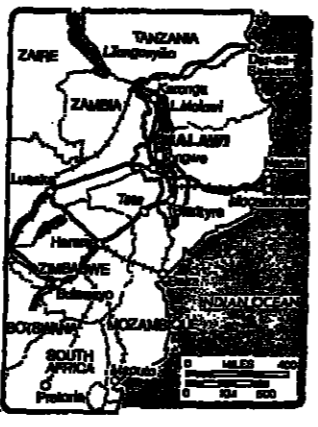
By Our Foreign Staff

THE Mozambique Government reacted angrily yesterday to allegations by Mr P. W. Botha, the South African Foreign Minister, that Mozambique and Zimbabwe were planning an economic blockade of Malawi and the overthrow of President Hastings Banda.

Fragile lifelines that keep Malawi alive

BY MICHAEL HOLMAN, AFRICA EDITOR

AFTER NEARLY two years of comparative seclusion from the turmoil of southern Africa, President Hastings Banda, Malawi's autocratic and ageing leader, has become caught between the two powerful, opposing forces in the region.



return to Maputo, President Banda—not known as a man who takes advice from outsiders—was unhelpful. The Mozambique leader threatened to close the border with Malawi.

Labour may disband local party after by-election

By Ian Hamilton-Fazey, Northern Correspondent

LABOUR'S National Executive will be asked to disband the Knowsley North constituency party after next Thursday's by-election and to appoint a full-time agent to run its affairs for at least two years while reconstruction and purges are mounted.

John Hunt on setbacks to Labour's campaign in Knowsley North Many a slip to the polling booths

THE BY-ELECTION in the Knowsley North constituency on Merseyside has developed into one of the most extraordinary the Labour Party has fought.



Neil Kinnoch and George Howarth with local party workers

The party has been beset by a succession of disasters. Yet, Mr George Howarth, the Labour candidate, remains firm favourite to win the contest next Thursday though he spent three days in a hospital bed this week suffering from a slipped disc.

Housing problems also came to the fore when Miss Coopers was campaigning for the Liberals at the local railway station. An elderly man in a cloth cap told her he was switching from Labour to vote for her. It was not Militant that concerned him. He was angry that the Labour council was doing nothing about a leak in his roof.

Banda support for rebels hard to prove

MALAWIAN SUPPORT for the Mozambique National Resistance (MNR) is difficult to prove, but Mozambique made low key protests to Malawi as early as 1982, Victor Mallet writes from Nairobi.

independence in 1963. This year Mozambique and the other front line states have sharply stepped up their criticism of Malawi, saying that it has given logistical and material support to the rebels and provided some of them with travel documents.

the border and captured several towns in Mozambique, according to foreign aid workers and government officials in Maputo.

British Coal to shut Cadeby colliery

By Maurice Samuelson

BRITISH COAL yesterday delivered its second rebuttal to the independent review body on colliery closures set up after the miners' strike by refusing to keep open Cadeby colliery, near Doncaster, which has failed to make a profit for 20 years.

NEDC aims to raise industry quality levels

By Hazel Duffy

A DRIVE to improve quality and standards of manufactured goods was agreed this week at the National Economic Development Council by ministers, employers and trade union representatives.

Agencies renew appeal for adverts on BBC TV

By Raymond Snoddy

THE INSTITUTE of Practitioners in Advertising has warned the Government that if present trends continue the BBC would by 1991 have £960.5m a year less to spend on television services than independent television companies.

new £58 for colour, to the retail price index. The IPA said this could only weaken the BBC's ability to fund its present range and quality of programmes.

CBI issues advice about exporting techniques

By Hazel Duffy

EXPORTERS are urged to put themselves in the shoes of their foreign customers to discover their own shortcomings, and to think of themselves as overseas marketers rather than exporters, in a book published yesterday by the Confederation of British Industry.

Economic Diary

TODAY: Teachers' unions and employers start two-day session on pay and contracts package in Nottingham.

Advertisement for Collow PLC, featuring a logo and text about private placing by NM Rothschild & Sons Limited. Includes details about share units and contact information for brokers and investors.

Advertisement for a public auction of Persian carpets. Text includes 'FORCED DISPOSAL HIGHLY IMPORTANT PUBLIC AUCTION OF SEVERAL HUNDRED EXCEPTIONALLY FINE AND MEDIUM QUALITY, HANDMADE PERSIAN CARPETS' and details about the auction location and terms.

UK NEWS

Spending plans for housing under attack

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

HOUSING AUTHORITIES have reacted angrily to the details of the Government's spending programme. Although the Chancellor promised an extra £451m for housing in his Autumn Statement on Thursday, housing authorities complained that the detailed figures show that the sums to be spent on housing the homeless and tackling an estimated £20bn worth of repairs to council houses were comparatively small.

Lords shun pomp for parliament's last rite

By Michael Castell, Political Correspondent

HAVING SATISFIED himself that the Lords' spiritual and temporal and Commons had, at the Queen's command, duly assembled at Westminster, Lord High Chancellor, yesterday prorogued parliament.

Philip Stephens on the response from City economists to the Autumn Statement Sceptical reaction to Lawson's optimism

TREASURY FORECASTS of Britain's economic outlook are rarely short on optimism. This week's upbeat assessment of the prospects for 1987 delivered by Mr Nigel Lawson, the Chancellor, in his Autumn Statement is no exception.



Nigel Lawson: forecast recovery in output growth

Mr Lawson predicted a recovery in the pace of output growth, a continuing consumer spending boom, buoyant exports and relatively low inflation as backdrop to the Conservatives' campaign to win the next general election.

But the consensus in the City—and one that is shared privately by many senior Treasury officials—is that the Government will opt for sizeable tax cuts in the run-up to the election, whatever the implications for borrowing.

Divers find voice recorder of Chinook helicopter

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DIVERS yesterday located a huge section of the cockpit and recovered the voice recorder of the Chinook helicopter which crashed into the sea off Sumburgh in the Shetland Islands on Thursday, killing 48 people and leaving two survivors.

Mercedes takes lead in heavy truck sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

DAIMLER-BENZ, the Mercedes vehicles group of West Germany, took the lead in the UK heavy truck market for the first time last month.

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BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

DAIMLER-BENZ, the Mercedes vehicles group of West Germany, took the lead in the UK heavy truck market for the first time last month.

Table with UK CAR REGISTRATIONS data for October 1986 and 1985, comparing total market, UK produced, and imports.

Closures to cost 250 Ulster jobs

By Our Belfast Correspondent

TWO factories in Northern Ireland employing nearly 250 workers are to close.

About 180 jobs will be lost when the British Van Housen factory in Ballywalter, Co Down, shuts down next month. A further 65 will be lost over the next nine months during the closure of the National Supply Company at Maydown, Londonderry.

Van Housen manufactures high quality men's suits but has suffered from the import of cheaper goods from Eastern Europe.

PM renews pledge to sell off British Steel

MRS MARGARET THATCHER yesterday gave her firmest commitment yet to privatising British Steel. In a letter to Mr Richard Hickmet, Conservative MP for Glaston and Scunthorpe, the Prime Minister said that, if her Government were re-elected, its intention would be to return British Steel to the private sector during the course of the next parliament.

Some limits on competition in professions may go

BY HAZEL DUFFY

THE GOVERNMENT is expected to endorse recommendations from the Office of Fair Trading that some restrictions to competition in the rules of professional bodies should be removed.

Mr Howard has asked the OFT to ensure that the ban on advertising be removed by osteopaths, physiotherapists and chiropractors. He also wants to see further relaxation of the already permissive advertising rules of accountants' and notaries' bodies.

GRE to lift car insurance cost by average 12.5%

BY OUR FINANCIAL STAFF

GUARDIAN ROYAL Exchange Assurance, a leading motor insurer, is increasing its motor premiums from the beginning of next month by an average of 12.5 per cent—well above the present inflation rate.

The company says it was forced to put up premiums because of a continued increase in the number of claims and a steady rise in their average cost.

Guinness to sell London offices of Distillers

BY LISA WOOD

GUINNESS, the drinks and leisure group, yesterday announced the closure of six central London offices it acquired when it took over Distillers, the Scotch whisky company. The offices to be put on the market shortly, are estimated to be worth more than £50m.

John Griffiths looks at moves to arrest the steep decline in sales of powered two-wheelers

Motorcycle trade looks east to rev up its image

THE MOTORCYCLE trade hardly merits the title industry—was recovering from its annual show this week and wishing the mess it is in could be taken up as easily as the floor of Olympia, the exhibition hall in London.

NORTON MOTORCYCLES may again be produced for sale to private buyers. Norton Motors, a subsidiary of Birmingham-based Bronco, will decide in the next few weeks whether to produce a civilian version of the Wanzel-engined motorcycle it supplies in limited numbers to the Defence Ministry and to police forces.

were taken—and he stressed the "if"—production would be limited to 2,000 units a year. "It would be very much a top-of-the-market machine," he said.

The powered, 130 mph Norton has been under development for nearly a decade. However, production in quantity only recently began at Norton's Lichfield Staffs plant. To date more than 200 Nortons have been supplied to the military and to police forces.



motorcycle riders. The Transport Department promptly indicated its approval for the concept. The trade will launch its own image-boosting campaign next year but on a modest budget of about £250,000. It will not use television advertising.

How much money will you make in British Gas?

Generally speaking the private investor almost always makes money in new issues. But just how much depends on having the right information and getting the application weighted "dead right", and there is a secret here. Thousands of people already making good, steady profits investing in new issues and other exciting investments... year after year they're especially clever or anything like that, just well informed and in the right place at the right time.

Handwritten signature or stamp at the bottom of the advertisement.

Teachers' pay offer may be enforced in Scotland

BY DAVID BRINDLE AND JAMES BUXTON

SCOTTISH teachers, whose main union meets today to consider recommending resumed strike action over pay...



Mr John Pearman: acceptance of Government's terms not implied

Mr Malcolm Rifkind, Scottish Secretary, made it clear for the first time that the Government was considering legislation to enforce a settlement...

Speaking on the eve of today's delegate conference of the Educational Institute of Scotland, Mr Rifkind said it appeared to be a foregone conclusion...

However, appealing over the heads of the delegates, he said: "What does matter is the outcome of the ballot of members which will follow..."

accept it rather than becoming involved in further distasteful and damaging disruption.

Today's EIS conference will be urged to plan an "immediate" one-day strike in all Scottish schools...

The union's leadership is angry that the Government decided to phase in the 16.4 per cent pay award...

cent pay award, which was recommended as part of an "indivisible" package by the main committee on the pay of Scottish teachers.

Ministers have already warned they may legislate to impose the terms in England and Wales.

South of the border, meanwhile, local authority employers' negotiators yesterday confirmed that they aimed in talks starting today in Nottingham...

Mr John Pearman, the employers' leader, said the move did not imply acceptance of the Government's terms...

Seamen threaten to issue writ to seize ferry

By Jimmy Burns, Labour Staff

THE National Union of Seamen threatens to issue a writ in the Admiralty Court on Monday to seize a Sealink UK ferry unless the company begins to make redundancy payments to 316 employees...

Sealink last night described the threat as absolute nonsense aimed at bringing "sensational pressure" to bear on the company.

Union officials said yesterday, however, that the NUS was considering the legal action against Sealink because of growing fears among its members that the company was deliberately holding back from paying the redundancies.

Seamen have continued to occupy one vessel in Weymouth because of what they claim is uncertainty about the redundancy package between the company and leaders of the National Union of Seamen.

ASTMS and Tass to map out merger

BY HELEN HAGUE, LABOUR STAFF

THIS WEEKEND, the ruling executives of two white collar unions meet to map out the next stage of their strategy for amalgamation.

If it comes off, the merger between ASTMS and Tass would create, on current membership figures, the sixth largest union in the TUC and its largest white collar affiliate.

The leaders of both unions, Mr Clive Jenkins, general secretary of ASTMS, and Mr Ken Gill, his opposite number in Tass, have championed the industrial logic of merging the two organisations.

But before plans for a merger marriage become a reality, detailed proposals on the shape of the planned organisation will have to be approved by both the unions' annual conferences next spring and the majority of rank and file members.

Under legislation governing mergers, members will be balloted on both the Instrument of Amalgamation to enact the link-up and the draft rule book aimed at bringing it about.

This weekend's meeting, at the ASTMS training college in Bishop's Stortford in Hertfordshire, will put flesh on the "Statement of General Principles" agreed by a joint inter-union working party.

This says a joint executive committee made up of an equal number of voting members from each union—should be charged with overseeing arrangements in the interim, transitional period of the merger.

This body would decide the constitution of the new union's first rules conference, which it proposes should be made up of 165 voting members from each union.

The joint statement acknowledges that the two unions have differences of approach over the make-up of their policy making annual conferences.

Nearly 800 ASTMS members attend their conference; Tass has just over 150 voting delegates. The first joint rules conference would be responsible for producing a joint rulebook and structure for the new union—and determining the structure of future conferences.

Draft rules will be prepared for discussion within both unions—and constituent bodies will have the opportunity to table amendments to the joint executive propositions.

The question of compliance with 1984 Trade Union Act stipulations on secret individual ballots for executive elections and before industrial action is not addressed in the joint statement.

Whereas ASTMS policy is to comply with the act, Tass has shown no signs of bringing its balloting modes into line with Tory Employment legislation.

Hotel wages council to recommend pay guidance

BY JIMMY BURNS

THE HOTEL and catering wages council, the largest of its type, has confirmed its decision to recommend non-binding guidance on differential pay rates in addition to setting a single statutory rate.

The proposal, made in spite of the earlier reservations of some Department of Employment officials, appears to have found a loophole in the Act.

The proposal, made in spite of the earlier reservations of some Department of Employment officials, appears to have found a loophole in the Act. It is aimed at lessening the Act's negative impact on hotel and catering workers.

The Licensed Residential Establishments and Restaurants Wages Council, which covers some 250,000 workers, has set a single minimum rate of £1.85 an hour from December 22 1986.

It has also been past practice for all workers in the London area to be entitled to a maximum rate which is 11 per cent higher than the minimum rate payable to workers elsewhere in Britain, the council says.

But it is also drawing employers' attention to the fact that in previous years the minimum rate payable to some workers (those who receive tips) was approximately 17 per cent less than the minimum rate payable to non-service workers.

It has also been past practice for all workers in the London area to be entitled to a maximum rate which is 11 per cent higher than the minimum rate payable to workers elsewhere in Britain, the council says.

The unions have broadly accepted the increase in the minimum rate. However, they will be waiting to see how employers follow the guidelines before formalising their position.

The Low Paid Unit said yesterday it expected most employers would take advantage of the fact that the guidelines are not legally binding and would not implement them.

APPOINTMENTS

British Overseas Trade Board new members

Five new members have been appointed to the BRITISH OVERSEAS TRADE BOARD. Mr Tom Frost, a deputy group chief executive of National Westminster Bank...

Kevin Treanor, previously general manager, Ireland. He was large accounts manager in the Irish company.

Mr Ian Russell has been appointed sales and marketing controller at TATUNG (UK). He joins from GKN Industrial Services...

KALAMAZOO has appointed as non-executive director, Mr Eric William Nickell. He is managing director of Bell Technical Services.

MILESTONE LEASING, part of Exco International, has appointed Mr Ben Chesterfield as finance director designate.

Mr John Gallimore, a director of BioTreatment, has been appointed to the board of BIOMECHANICS.

Mr Adrian Moore, general manager and an executive director, has been promoted to deputy managing director of TV-am.

Mr John Caskin has been appointed company secretary of INTERNATIONAL CITY HOLDINGS in place of Mr James Mackevoy.

Mr K. W. Ketteringham, managing director of Chemminer Group, has been appointed chairman and chief executive of BENLOX HOLDINGS.

Mr Graham W. S. Lockyer has been appointed production director of DOWTY ROTOL.

MOUNTLEIGH GROUP has appointed Mr John H. Watson as a new board director. He is a senior partner of estate agents Hepper Watson.

KUHNKE & NAGEL (UK) has appointed Mr Ian Flint as managing director of its wholly-owned subsidiary, travel agency subsidiary, Kendall Travel.

Mr Ron Finlay and Ms Alison Hogan, both associate directors, have become board members of VALIN POLLEN.

SPICER AND PEGLER and associated partnerships have admitted as partners Mr Bob Dunn and Mr David Moody.

Mr Archie Scott has been appointed market development director at HONEYWELL.

Mr Ken Smith has been appointed deputy managing director of JEL ENERGY CONSERVATION SERVICES.

The following have been admitted as partners to MABARO NATHANSON: Mr Roger Ducean (company), Mr Paul Kendall (property), Mr Peter Denley (property), Mr Jonathan Dawson (company), Mr John Murray (pensions), Mr Howard Richards (property), Mr Gareth Jones (company), and Mr Leslie Kovacs (company).

Ms Susan Young has been appointed sales and marketing director of LOVELL HOMES EASTERN, Rayleigh.

Mr Robert J. Symms has been elected to the board of HOLDEN AND BROOKE, Manchester, and has been appointed deputy managing director.

Mr Geoffrey Brooker has been appointed financial director of PREMIER BREEDERS. He was the financial controller of NEI Overseas.

The BAI GROUP has appointed Mr Paul Meyers as managing director of BAI Holding, London. He joined the BAI Group from Chemical Bank.

Two joint managing directors have been appointed to lead the GROUP. Mr Clive Blomfield-Smith will focus his attention primarily on the City.

Mr Peter Jones will continue to look after the industrial, commercial and retail appointments sectors.

Application has been made to the Council of the Stock Exchange for the ordinary shares capital of the Company, issued and now being issued, to be admitted to the Official List.

LONDON & METROPOLITAN PLC Offer by Kleinwort Benson Limited

of 23,600,000 Ordinary Shares of 5p each at 145p per Share payable in full on application

TERMS AND CONDITIONS OF APPLICATION

- (1) The contract resulting from each acceptance of an application will be conditional upon the whole of the ordinary share capital of London & Metropolitan PLC (the "Company")...

PROCEDURE FOR APPLICATION

- 1. Insert in Box 1 the number of Offered Shares for which you are applying...

* You must send the completed application form by post, or deliver it by hand, to Midland Bank plc, Stock Exchange Services Department, Mariner House, Peppys Street, London EC3N 4DA, in each case so as to be received by not later than 10.00 a.m. on Wednesday 12th November 1986.

* If you post your application form, you are recommended to use first class post and to allow at least two days for delivery.

* Photostat copies of application forms will not be accepted.

MULTIPLE OR SUSPECTED MULTIPLE APPLICATIONS MAY BE REJECTED IN THEIR ENTIRETY.

BASIS OF ACCEPTANCE AND DEALING ARRANGEMENTS

The application list will open on Wednesday 12th November 1986 and will close on Thursday 13th November 1986. The number of Offered Shares to be allocated to you will be determined by the basis of acceptance...

APPLICATION FORM LONDON & METROPOLITAN PLC

Application form with numbered sections 1-7 for providing details of shares, payment, and signature.

AVAILABILITY OF LISTING PARTICULARS AND OF APPLICATION FORMS

- List of branches and contact information for Kleinwort Benson Limited, Midland Bank plc, Phillips & Drew, and Clydesdale Bank plc.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including ABN Bank, Adams & Company, and others.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BF
 Telegrams: Finantimo, London P5A. Telex: 8954871
 Telephone: 01-248 8000

Saturday November 8 1986

Politics back to normal

MR ROY Hattersley's rage at seeing the Chancellor swimming away in a Labour-designed bathing suit on Thursday was obvious, but his conclusion was not in fact overstated: the Government's reputation for prudent financial management has now vanished as far as the City is concerned.

This has created no financial shock, because that reputation was already threadbare before the Autumn Statement—and because, more cynically, the City believes that the electoral strategy stands a very good chance of working. Indeed, one of the inbuilt advantages of any Conservative government is that it can get away with even blatant electioneering, so far as the markets are concerned.

The fact remains that the markets are already discounting substantial tax cuts on top of the spending relaxation, and believe that fiscal restraint has now gone the way of monetary targets. Serious economic management will be resumed in the next parliament.

This is indeed the normal pattern of Conservative governments. Mr Lawson is simply carrying on a tradition which stretches from the Macmillan era, through the Maudling dash for growth, the Barber inflation, and the concealed reflation mounted in 1983 by Sir Geoffrey Howe.

Political shift

The comparison with Sir Geoffrey is the interesting one, because his reflation was achieved by announcing tight spending targets and then allowing them to over-run. The effects could be felt in the economy, but the fiscal injection remained invisible until well into the following financial year, when the extent of the over-shoot in spending and borrowing emerged.

Mr Lawson has chosen to operate in the opposite way, and will be attributed by his friends to his greater candour, and by his critics to a shift in the political wind. The electorate—and the party activists—are now much more worried about unemployment and hospital queues than they are about some resurgence in inflation, and so Mr Lawson is in no mood to do good by stealth.

This change in presentation makes it much more difficult to judge the Autumn Statement in economic rather than political terms. So far as the higher spending targets are simply an acknowledgement of reality, they will have no economic effect. Mr Nicholas Ridley's department got the biggest single increase to reflect the actual spending plans of the local authorities and he is on the side of his party, as he remarked, though no money is saved by putting unrealistically low figures into a White Paper. Shifting goods into the

MR ROBERT MAXWELL

A player at many tables

By Jeremy Stone

ROBERT MAXWELL is both a prodigy and an enigma. Hyperactive is scarcely a big enough word for a man who was this week fighting two unrelated law suits in different courtrooms as well as two completely unrelated takeover bids, all without apparently taking time off from running the printing and communications empire which spreads outwards, nowadays, from the Daily Mirror.

With so much on his plate, who can wonder that even the irrepressible Maxwell was at one point overcome with emotion (and maybe even a touch of fatigue) when he was reduced to public tears by the strain of giving evidence in his libel suit against Private Eye. If less robust mortals find it hard to understand how Maxwell can stand the pace, it is also at times difficult to see what drives him down the path that he has chosen. Someone who controls wealth of more than £50m—taking just the quoted interests of his Pergamon group—is not after mere money. Nor is it the pursuit of common glory: on the evidence of his own testimony against Private Eye, he has twice declined the offer of a peerage. And, beyond Max-

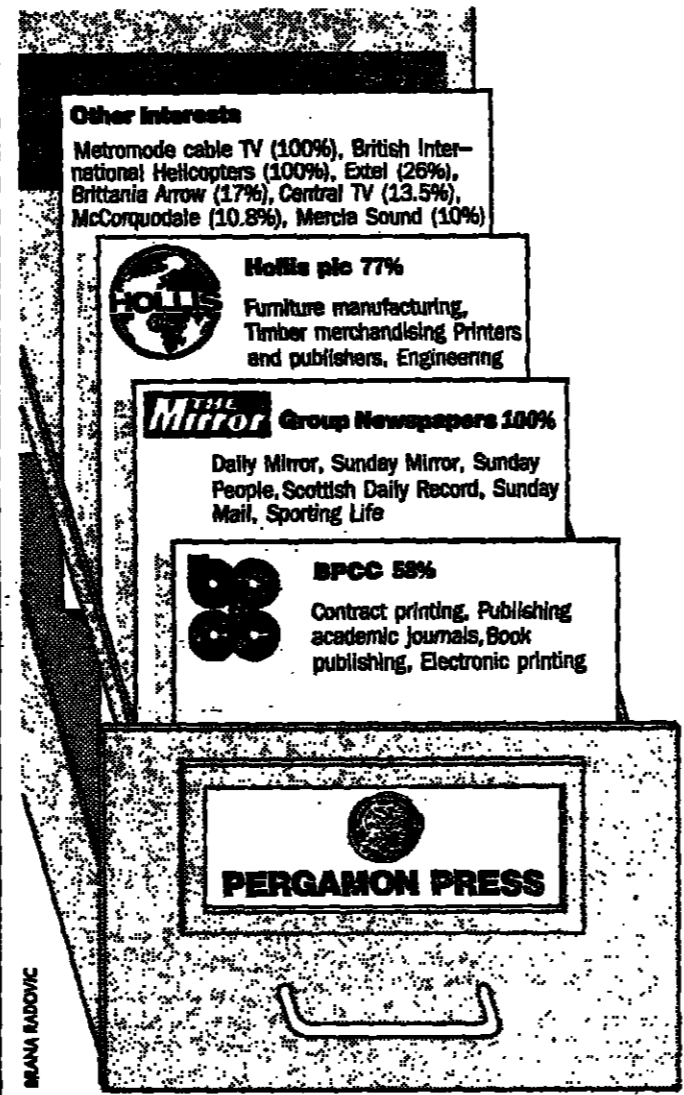
well's motives, there is the question of his methods: not even those who claim to read his strategy are always so confident that they know how the financial and industrial jigsaw is really put together.

Maybe it is not so hard to see why Maxwell has a finger in every printer's pie: that is the power base from the earliest part of his career. Admittedly, not every printmaster would bother to buy 20 per cent of the security printer McCorquodale in order to decide which of the two other managements should gain control, but it is characteristic Maxwell. It is that people have had trouble in understanding: for he has cast himself in an unexpected role—self-designated saviour of the British engineering industry—by offering the rich price of nearly £260m for the motor components group AE.

There is a theory that Maxwell's interest in AE is only that of a corporate raider. Like a Wall Street greenmailer, it is said, he was prepared to make a bid for the company because he thought that he could get a better price for the shares from somebody else. According to this story, Turner & Newall so



Robert Maxwell: a finger in every printer's pie



artificially bulked in a recent attempt to acquire AE that it was given special leave by the City's Takeover Panel to have another go. will be the same body else.

But the truth is likely to be simpler, if stranger: though sceptics abound, Maxwell may sincerely believe that AE can form the basis for an engineering group as wealthy, and eventually as valuable, as his publishing and printing interests. As long ago as May 1982, he talked about setting up a vehicle (then named the Holding and Realisation Corporation) to do "what the old Industrial Reorganisation Corporation used to do," and his thoughts clearly extended outside the world of print. He has never lacked faith in his own powers, as an industrial reorganiser: the results at BPPC, the printing group that he brought back from the grave five years ago, show that the faith is not misplaced, though it was beyond even Maxwell to rescue the finances of this year's Commonwealth Games.

At the parent's stake from 56 to 75 per cent.

The benefits of this rearrangement for Mr Maxwell have been two-fold. Pergamon has swapped some relatively illiquid investments for listed securities, potentially freeing the Pergamon balance sheet for further deals elsewhere. It has also injected assets and earnings into the quoted subsidiary, where their greater visibility to the City has helped to raise the market value of the Maxwell empire. The same goes for the contract printing by BPPC of Mirror Group papers: cynics have speculated that, since the profits made by BPPC in printing the Mirror are valued at a multiple of earnings, it would be worth Pergamon's while to trim the Mirror's profits for the greater glory of BPPC—and so maximise the overall value of the group. Even without this refinement, there is no question that cooperation between the parts of the Pergamon group has been very profitably used, making it easier to expand the Maxwell operations more quickly still.

How much more quickly is shown by the capital-raising that Maxwell has recently been able to pull off. When BPPC bought the Bishopsgate investment trust just over two years ago, the £50m that was raised by liquidating its portfolio (rather less after dealing costs) was described by Maxwell as the "transformation" of BPPC's financial position. This September the similar purchase of the Philip Hill investment trust pulled in £230m.

Though 1985 profits at BPPC were only 15 per cent ahead of those for 1984, at £25.5m before tax, it has been built into a far larger and more powerful business, and the enlarged asset base will produce a big jump in profits this year: BPPC's market capitalisation of around £300m is some eight times what it was three years ago.

As the pieces fit together, the financial jigsaw begins to look like a credible picture. Whether the City will produce equitably larger deals must depend increasingly on the ability of the established Pergamon business to show that they can grow in the more open environment of the international equity markets.

The formidable energy and vision that undoubtedly characterise Maxwell are often said to be opposed by equally formidable managerial weaknesses. Critics say that in printing, if not elsewhere, Maxwell's genius at shaping BPPC into a viable company has not been matched by a capacity to gather in new contracts—though regaining the Sunday Express colour contract at the hands of Maxwell's friend David Stevens was a notable success. Though Pergamon can point to some accretions that have stayed with the group for decades, Maxwell also has a name for being one of the most unwilling delegators in modern business, with a reputation for eating up the more independent-minded recruits within about three months. But at 63, with an exponentially growing list of deals and businesses to run, Maxwell needs to think further ahead than that. Much as people are impressed by his 57-year-old son Kevin, who has been named managing director in charge of professional and financial services at Hollis, they also wonder how much other talent the Pergamon middle management can boast.

AS THE dimensions of the Republican Party's defeat in the mid-term Senate elections began to sink in this week, the media turned to a 59-year-old Senator from the mountains of West Virginia to explain what the Democrats will do now that they are once again the dominant party in both chambers of Congress.

Senator Robert C. Byrd is, even to many of his colleagues, an unlikely figure to take on the role of spokesman for the Democratic Party. In public he is a cautious, retiring individual and in private is peckish and proud. For years he never seemed comfortable before the television cameras.

But with the Democrats leaderless until they choose their Presidential candidate in 1988, there are only two individuals who can speak for them with authority—the speaker of the Democrat-controlled House of Representatives and the Majority Leader of the Senate.

Next month, when the new Democratic majority in the Senate meets to elect a leader, Senator Byrd seems likely to emerge the victor once again.

It is a job which has traditionally been the most powerful single office on Capitol Hill and which in Senator Byrd's case is one which could have a significant influence, for good or ill, on his party's prospects in the Presidential and Congressional elections in 1988.

Just how influential the Senate Majority Leader can be was underlined in 1985 when Democratic Senator William Proxmire (who is destined to take over as Senate Banking Committee chairman next year) challenged his own party's Majority Leader in debate on the floor of the chamber. Senator Proxmire's demand for an end to "one-man rule in the Senate" fell on the deaf ears of the auto-car Senator Lyndon Baines Johnson.

Born in 1917, Senator Byrd grew up on an orphan in a mining family in the coal-mining communities of West Virginia, communities isolated from the rest of the nation not only by the physical barriers of the mountains but by a mentality which

Man in the News

Senator Robert Byrd

At the Democrat levers of power

By Stewart Fleming



sees the outside world and the coal company owners who belong to it as enemies and exploiters.

In 1958 he was elected to the Senate and in his first years there he attended night classes at American University where in 1963, at age 46, he was awarded a law degree.

A conservative Democrat in his early days in Congress—he voted against the 1964 Civil Rights Act—in 1971 he stunned his colleagues (and Senator Edward Kennedy) by defeating the liberal Democrat in the party's election for Majority Whip. It was a political coup which was the pay-off for years of meticulously cultivating his Senate peers.

Sharp attention to detail, not the ability to communicate a vision of the world he would like to help create, is the hallmark of Senator Byrd. "I could not work any harder than I did,"

he told an interviewer in 1981 after endless hours on the Senate floor, first as Whip when Senator Mike Mansfield was Majority Leader and then from 1976 as the Majority Leader himself.

His skill is founded in part on his grasp of Senate rules. "He is," says an official who worked with him for years, "the master parliamentarian." The significance of this expertise has to be seen in the context of the rules of the Senate and the role the Majority Leader plays in applying them. Unlike the House, where a powerful Rules Committee determines many parliamentary procedures, in the Senate the Majority Leader is the dominant figure.

He decides, for example, which legislation comes to the floor of the House when, and how much time is allowed for debate. By setting the schedule

then Minority Leader of the Senate, and today there are once again rumblings within the party.

"This party needs a more adroit spokesman now," says a party official. "A lot of people think Byrd is not suited for the role." Many of those who take this view believe that the Democrats now need a more totemic spokesman as they seek to define the nation's political agenda in terms which will help them emerge victorious in 1988.

For the moment, however, the betting seems to be that Senator Byrd will survive if a challenge is mounted. As a political moderate—he has voted to approve funding for the Strategic Defence Initiative and the MX missile but against aid to the Contra rebels in Nicaragua—Senator Byrd's views are acceptable to a broad spectrum of Senate Democrats.

The fact that he does not try to hog the political limelight and has no ambitions to be President is another plus. "The Senate Democrats are not one party—they are 55 different parties—each one sees the Senate as a platform to run for President or to gain national recognition," says Mr Richard Medley, a political consultant in Washington.

Senator Byrd has also done the job effectively before.

The task will not be an easy one, however. Many Democrats, particularly those running for the Presidency, but also Rep. Jim Wright, the man expected to be elected Speaker of the House, will be seeking to define what the party stands for to avoid offending powerful constituencies. His consolation is that with President Reagan no longer able to run for office the Republicans, too, will be speaking with several voices.

The comedian Will Rogers, when asked years ago whether he belonged to a political organisation, swiftly replied "No. I am a Democrat." It is doubtful that the Republican Party will look much more organised than its rivals over the next two years.

Henderson Administration Group plc

UNAUDITED RESULTS FOR THE SIX MONTHS TO 30th SEPTEMBER, 1986.

Year to 31st March (audited)	Six months to 30th September (unaudited)	1986	1985	
17,165	Profit before tax	£000	13,042	5,170
49.62	Earnings per ordinary share*	pence	38.90	14.74
12.50	Dividends per ordinary share	pence	6.00	3.00
25,858	Net assets	£000	32,803	20,606
4,308	Funds under management	£million	5,213	2,813

*Earnings per ordinary share are shown before transfer from/to initial charges equalisation reserve.

"We have advanced in all parts of our business and confidently expect continuing expansion in funds under management."

J R Henderson, Chairman

A copy of our full interim statement is available from the Company Secretary, Henderson Administration Group plc, 26, Finsbury Square, London, EC2A 1DA. The results for the full year to 31st March, 1986 are an abridged version of the published accounts for that year which have been delivered to the Registrar of Companies and on which the report of the Auditors was unqualified.

Henderson. The Investment Managers.

UK COMPANY NEWS

Henderson Administration profits soar

FIRST-HALF figures from the Henderson Administration Group show that profits have substantially more than doubled to £13m and that funds under management by September 30 had risen 21 per cent to £5.2bn. This, said Mr John Henderson, chairman, reflected good growth in all parts of the business, with the greatest contribution again coming from the pension fund and unit trust operations.

Renold profits warning after break-even first half

AS A RESULT of lower demand experienced by Renold and the "once-off" costs needed to correct the situation, its profits for the year to end March next will be substantially lower than originally estimated.

Norfolk Capital in £5.4m hotel sale

Norfolk Capital Group has sold the 113-room Baywater Fairway Inn in Princes Square, London, to the Lelster Hotel Group for £5.35m in cash.

Cater Allen makes small profit

Cater Allen Holdings, the bill brokers and bankers, made a small profit in the six months to October 31 and proposed an unchanged interim dividend of 5.3p.

Boosey & Hawkes

Increased pre-tax losses of £1.43m against £1.39m were suffered by Boosey & Hawkes, sheet music and musical instrument maker, in the first half of 1986.

Priest Marians agreed bid for Lincroft

Priest Marians, property group is to take over Lincroft Kilgour in an agreed bid which values the cloth merchant and Savile Row tailors at £12.5m.

Thomson T-Line sale

A conditional agreement has been made by Thomson T-Line to sell James & Tatton, steel stockholder, for £3.2m.

Rothmans in joint venture with Nestlé

Rothmans Holdings of Australia, 50 per cent owned by Rothmans International, has announced a joint venture with Nestlé to develop the confectionery manufacturing and marketing operations of Allen's Confectionery and Life Savers.

Viewplan shares up

Shares in Viewplan, the USM-quoted equipment hire company, rose 18p to 88p yesterday on news that the company is once again in talks which could lead to a bid for it.

Glanfield £1.5m rights

Glanfield Lawrence, now engaged in property investment and development, providing hire purchase and leasing finance and the operation of a petrol station, reported a pre-tax profit of £76,000 for the half year to June 30 1986 compared with a loss of £127,000.

Charles Batchelor considers the 'management buy-in' for Simon Engineering Inventive plans for takeovers

ENGINEER WITH AN EYE FOR A DEAL

HAS Mr Philip Ling, managing director of Haden, engineering group, found the City equivalent to the alchemist's formula for turning base metal into gold?

Mr Ling, the man who headed the successful management buy-out at Haden 17 months ago, emerged yesterday with an equally inventive plan for "management buy-in" of Simon Engineering, the Stockport-based process plant contractor.



Mr Philip Ling

As general manager, he helped steer the Sheffield-based company through a painful rationalisation in the late 1970s. He left a little more than three years ago for London and Midlands Industrial, a holding company which had bought a number of Johnson and Firth Brown subsidiaries.

Mr Ling and his team think they have an answer. "The City's normal remedy for a stagnant company is to arrange a takeover. Companies like Hanson Trust or BTR come in and buy the company."

The beauty of the scheme, according to Mr Ling, is that the managers do not own a single Simon ordinary share until they have proved they can run the business more effectively than the existing management.

Shareholders will also be banking on Mr Ling's ability to maintain his record of effective management at Haden. He will be aided by Sir David Nicolson, a former chairman of BTR, who would become chairman, and Mr Norman Ireland, BTR's non-executive finance director.

Mr Ling charges Simon with lacking a coherent strategy and having adopted a shotgun approach to acquisitions. "It has the feel of a company full of people with ideas but with a logjam of management and strategy at the top," Mr Ling said.

CASE cuts losses to £4.7m

GREAT STRIDES into cutting its losses were made by the CASE Group in the half year ended September, with the UK side substantially increasing its profit and the US division reducing its losses.

Maxwell continues to buy McCorquodale shares

Mr Robert Maxwell is continuing to buy shares in McCorquodale having pledged his 19.2 per cent stake to Norton Opax which is fighting a management buy-out bid for control of the company.

Tyzack Turner £2m acquisition

Tyzack Turner, the Sheffield-based precision engineer, yesterday announced the £2m acquisition of Delight International. Delight is a subsidiary of Newship Industries, which is wholly owned by Mr John Newman and Mr Nicholas Shipp, both of whom will become Tyzack directors.

Dividends Announced

Table with columns: Company Name, Dividend Amount, Date, and Notes. Includes entries for CASE Group, Cater Allen, Fergahook Group, etc.

Leaders and Laggards

Table showing percentage changes since December 31 1985 for various sectors like Telecom, Textiles, and Chemicals.

Rises and Falls on the Week

Table showing percentage changes for various market indices like British Funds, Corporate, and Financials over the week.

From Page 12

Table listing various companies and their stock prices, including Mitsubishi Heavy, Nissan, and others.

New Highs and Lows for 1986

Table listing new highs and lows for various sectors like Airlines, Banks, and Chemicals.

RULE 535 (3)

Applications for approved companies engaged solely in mineral exploration.

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange.

Delgely cleared

Delgely's £87m acquisition of Golden Wonder, the food processing and agricultural products group, acquired Golden Wonder, previously a part of the Imperial Group, from Hanson Trust on October 10.

I.G. INDEX

Table showing the I.G. Index for November 1986, with values for FT for November and other indices.

GRANVILLE SPONSORED SECURITIES advertisement with contact information for Granville & Company Limited.

Advertisement for I.G. INDEX with contact information for FT for November.

Cabinet approves Alfa-Fiat deal

BY JOHN WYLES IN ROME THE ITALIAN Government gave its expected blessing yesterday to the sale of Alfa Romeo to the Fiat group despite trade union anxieties about the future of employment and industrial relations after the deal is completed.

Mr Rino Cavigliolo, a national secretary of CISL, the second largest union confederation, said that while Fiat's promise to maintain the unity of Alfa was welcome, "it does not do away with the need for a concrete defence of jobs and adherence to the agreement with IRI".

Mr Ottaviano del Turco, deputy secretary general of CGIL, the largest union group, said he hoped that Fiat would seize the opportunity to remodel its industrial relations. He was speaking on a day when about 40 per cent of Fiat's employees staged an eight-hour strike in support of demands for a resumption of negotiations on a new pay deal.

Alfa Romeo management refused to make any comment yesterday on the choice of Fiat. Senior executives had been strong supporters of the Ford bid until Fiat entered the lists and surprisingly few are thought to have changed their allegiances. Mr Giuseppe Trantomana, the Alfa managing director who has been nursing the company back to health, had planned to stay on under Ford, but is not expected to do so under Fiat.

HK newspaper confirms Murdoch holding

MR RUPERT MURDOCH is to buy a substantial minority holding in the South China Morning Post, Hong Kong's leading English language newspaper, for HK\$821m (US\$105.3m), the newspaper confirmed yesterday.

The option to boost his holdings was to be exercised within 30 days of a Murdoch representative joining the SCMP board. A statement said yesterday that if he exercised the option, he "would intend to become actively involved in the management and future direction of the SCMP, and has undertaken that he would not take action to change significantly the character of the newspaper."

Further insights into his plans in Hong Kong are yet to be provided. It is understood that Mr Murdoch earlier this year held talks with Sir Run Run Shaw on the possible purchase of an interest in TV-B, Hong Kong's leading television station.

Mr Warren Phillips, chairman of Dow Jones, said in a statement from New York: "We have always considered the South China Morning Post company a fine publishing enterprise. We expect it to remain so under a somewhat changed ownership structure."

Pemex studies stake in Spanish refiner

By Tom Burns in Madrid PEMEX, the Mexican petroleum producer and the chief crude supplier to Spain, was reported yesterday to be studying a possible equity in Empetrol (EMP), the state-owned Spanish refining company.

Pargesa in third issue of year

By William Dullforce in Geneva PARGESA, the Swiss holding company which forms one of the two main pillars of the fast-growing financial and industrial group headed by Mr Albert Frère of Belgium and Mr Gérard Ekenstedt of France, is raising new capital for the third time this year.

Shares with a nominal value of Sfr 100 will be reserved for present shareholders at a price of "approximately one-third" of the market rate for bearer shares.

After receiving the shareholders' authorisation Pargesa's managing board is expected to decide on a first issue of participation certificates to a nominal value of Sfr 20m which will be reserved for existing shareholders. The price will be fixed on November 18.

JAPANESE RESULTS

Table with columns for company name, share price, and dividends. Includes companies like Nissan, Toyota, and Daiichi.

McDermott falls into loss

By our New York staff McDERMOTT International, the US energy services company, has revealed a second-quarter net loss of \$32.25m or 57 cents a share, compared with a \$57,000 profit or 1 cent a share in the corresponding period last year.

The company, which has been severely hit by the downturn in drilling activity, reported revenues of \$853.4m, against \$802.9m in the 1985 quarter.

McDermott shows a net profit of \$189m or \$5.11 a share, against a loss of \$720,000 in the same period last year.

Lucky Stores outlines restructuring programme

Lucky Stores, the diversified Californian-based retailer, yesterday detailed a restructuring programme designed to enhance shareholder value and focus the company on its core food business.

The move follows the withdrawal last week of a sweetened \$37 a share bid for the company by Asher Edelman, a New York investor. The offer, which was rejected by Lucky, valued the retailer at \$1.88bn.

Approval given to Brazil fund

THE BRAZILIAN authorities have approved the launching of a Brazil Fund through which foreign investors will be able to buy stocks in Brazilian companies, Reuters reports from Sao Paulo.

Electrolux to buy US garden products unit

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM ELECTROLUX of Sweden, the world's leading household appliance manufacturer, is expanding its presence in the garden products division of the Emerson Electric of the US.

The end of March of White Consolidated Industries, the third largest US white goods manufacturer.

The Bealrd-Poulain / Weed Eater operation has annual sales of \$190m. It employs about 1,000 and has plants in Arkansas, Louisiana and Toronto, Canada.

The Emerson activities had good management and good profitability, and Mr Scharp said Electrolux saw great potential in using its existing European distribution channels for marketing Emerson products.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Metals, Grains, Spices, Oils, and Rubber. Columns include item name, price, and change.

ALUMINIUM INDICES

Table showing aluminium indices from Reuters and Dow Jones, including official closing prices and business done.

COPPER

Table showing copper prices, including official closing prices and business done.

LEAD

Table showing lead prices, including official closing prices and business done.

NICKEL

Table showing nickel prices, including official closing prices and business done.

TIN

Table showing tin prices, including official closing prices and business done.

ZINC

Table showing zinc prices, including official closing prices and business done.

GOLD

Table showing gold prices, including official closing prices and business done.

SILVER

Table showing silver prices, including official closing prices and business done.

SOYABEAN MEAL

Table showing soyabean meal prices, including official closing prices and business done.

US MARKETS

Table showing US market prices for cotton futures, orange juice, platinum, and silver.

NEW YORK

Table showing New York market prices for aluminium, cocoa, and copper.

CHICAGO

Table showing Chicago market prices for live cattle, hogs, and corn.

COFFEE

Table showing coffee prices, including official closing prices and business done.

COCOA

Table showing cocoa prices, including official closing prices and business done.

POTATOES

Table showing potato prices, including official closing prices and business done.

SUGAR

Table showing sugar prices, including official closing prices and business done.

RUBBER

Table showing rubber prices, including official closing prices and business done.

MEAT

Table showing meat prices, including official closing prices and business done.

GAS OIL FUTURES

Table showing gas oil futures prices, including official closing prices and business done.

HEAVY FUEL OIL

Table showing heavy fuel oil prices, including official closing prices and business done.

GRAINS

Table showing grain prices, including official closing prices and business done.

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for various companies in New York, including AAR, AMR, and others.

Stock

Table of stock prices for various companies, including Hall (FB), Halliburton, and others.

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Stocks fall on weak bond market

STOCKS WERE close to their lowest levels of the day on Wall Street yesterday when weakness in the bond market, resulting in a disappointment about Treasury's \$29bn refunding, spilled over to stocks.

WALL STREET

The Dow Jones Industrial Average was down 9.26 to 1,851.61 by 1 pm, for a net loss of 3.80 on the week, while the NYSE Composite Index, which shed 37 cents on the week, declined 1.50 on the day.

Stocks fall on weak bond market

With oil prices rising, oil issues managed to post mild gains. It's a broad, tired market that became the subject of some pre-emptive trading.

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Traders said the market ran into considerable resistance in the past few days as it made its approach to the Dow 1900 level.

CURRENCIES & MONEY

FOREIGN EXCHANGES Dollar slightly firmer

THE DOLLAR finished slightly firmer overall after fluctuating sharply during the day. News of an unchanged US unemployment rate of 7.7 per cent had little effect but a sharp rise of 288,000 in non-farm payroll employment was considered...

Table with columns: Nov 7, Latest, Previous Close. Rows include Sterling, Swiss Franc, Japanese Yen, etc.

Table with columns: Nov 7, Day's spread, Close, One month, % p.a., Three months, % p.a. Rows include US, Canada, West Germany, etc.

Table with columns: Nov 7, Short term, 7 Day, Three Months, Six Months, One Year. Rows include Sterling, US Dollar, Canadian Dollar, etc.

Table with columns: Nov 7, £, \$, DM, Yen, F.fr., S.fr., H.fl., Lira, C.s., B.fr. Rows include Argentina, Brazil, Canada, etc.

MONEY MARKETS Trading ends on a quiet note

PROXIMITY OF the weekend provided some relief in the London money market yesterday after a period which really lacked inspiration. Thursday's statement by Mr Nigel Lawson, Chancellor of the Exchequer, prompted a mixed response but left dealers with a feeling that the scope for lower interest rates was much reduced.

Table with columns: Nov 7, Overnight, One Month, Three Months, Six Months, Lender's Intervention. Rows include Frankfurt, Paris, Zurich, etc.

Table with columns: Nov 7, 12m, 24m, 36m, 48m, 60m, 72m, 84m, 96m, 108m, 120m. Rows include Interbank, Sterling, etc.

LONDON STOCK EXCHANGE

Spending proposals help equity sector

Table with columns: Nov 7, Nov 6, Nov 5, Nov 4, Nov 3, Nov 2, Nov 1, Nov 0. Rows include Government Securities, Fixed Interest, Ordinary V, etc.

Government bonds opened with a fall to 4 1/2 after a generally bullish view from the press on the implications for interest rates of the Government's spending plans.

Shares traded in quiet fashion ahead of the imminent dividend season. Regional providers a complete firm features in Limerick based Buckley which attracted speculative interest.

Table with columns: Nov 7, Day's spread, Close, One month, % p.a., Three months, % p.a. Rows include US, Canada, West Germany, etc.

Table with columns: Nov 7, Short term, 7 Day, Three Months, Six Months, One Year. Rows include Sterling, US Dollar, Canadian Dollar, etc.

Table with columns: Nov 7, £, \$, DM, Yen, F.fr., S.fr., H.fl., Lira, C.s., B.fr. Rows include Argentina, Brazil, Canada, etc.

Table with columns: Nov 7, Overnight, One Month, Three Months, Six Months, Lender's Intervention. Rows include Frankfurt, Paris, Zurich, etc.

Table with columns: Nov 7, 12m, 24m, 36m, 48m, 60m, 72m, 84m, 96m, 108m, 120m. Rows include Interbank, Sterling, etc.

agreed share exchange offer from Trifon was announced well after the market close. Elsewhere in the Leisure sector, lighting equipment group Lee International formed 7 to 15p while Caspari attracted fresh demand on takeover hopes and rose 11 to 100p.

LONDON STOCK EXCHANGE

DEALINGS

Details of business done shown below have been taken with consent from the London Stock Exchange. Details should not be reproduced without permission. Details of securities not included in the FT Share Information Service are shown in italics.

Associated Finance 4 1/2pcp (11) 10.00
Associated Finance 5 1/2pcp (11) 10.00
Associated Finance 6 1/2pcp (11) 10.00

UK PUBLIC BONDS
Agricultural Mortgage Corp 82-87
Agricultural Mortgage Corp 88-93
Agricultural Mortgage Corp 94-99

FOREIGN STOCKS
(Coupons payable in London)
American Brands 12 1/2pcp 2009 810/8
American Brands 12 1/2pcp 2010 810/8

STERLING ISSUES BY OVERSEAS BORROWERS
American Brands 12 1/2pcp 2009 810/8
American Brands 12 1/2pcp 2010 810/8

BANKS, DISCOUNT
Bank of Ireland (Governor & Co) 7pc
Bank of Ireland 7 1/2pcp 1989-91 824/4

BREWERS
Allied-Lyons 5 1/2pcp (11) 44 (31/10)
Allied-Lyons 6 1/2pcp (11) 44 (31/10)

COMMERCIAL INDUSTRIAL
A-B
A-B 1989-91 824/4
A-B 1992-94 824/4

UNIT TRUSTS
Canadian Foreign Intl Tst Inc 159.7
M and G Global Fund Inc 44.7
M and G Intl Fund Inc 68.8

MINES-MISCELLANEOUS
Anglo American Intl (R.O.S.) 532
Anglo American Intl (R.O.S.) 532

PROPERTY
Allied Property Holdings 1982-92
Allied Property Holdings 1982-92

RAILWAYS
Chiltern Railways 230/0 3/4
Chiltern Railways 230/0 3/4

UTILITIES
British Gas 1982-92 824/4
British Gas 1982-92 824/4

WATERWORKS
Bristol Waterworks 3 1/2pcp 1989-91
Bristol Waterworks 3 1/2pcp 1989-91

INSURANCE
General Accident Fire Life Assn 7 1/2pcp
General Accident Fire Life Assn 7 1/2pcp

INVESTMENT TRUSTS
Anglo-American Securities 4 1/2pcp
Anglo-American Securities 4 1/2pcp

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Friday November 7 1986, and Highs and Lows Index. Includes sub-sections like CAPITAL GOODS, BUILDING, ELECTRICS, etc.

Table with columns: FIXED INTEREST, PRICE INDEXES, and AVERAGE GROSS RECEIPT YIELDS. Includes sub-sections like 1-5 years, 5-10 years, etc.

Table with columns: Equity section of group, Base date, Base value, Empty section or group, Base date, Base value. Includes sub-sections like British Telecom, British Gas, etc.

Continued on Page 8

LONDON RECENT ISSUES

Table with columns: Issue, Price, Date, High, Low, Stock, Change, etc. Lists various financial issues and their market performance.

Table with columns: Issue, Price, Date, High, Low, Stock, Change, etc. Lists fixed interest stocks and their market performance.

Table with columns: Issue, Price, Date, High, Low, Stock, Change, etc. Lists 'Rights' offers and their market performance.

Remuneration data usually last day for details of stamp duty, a. Annualized dividend, b. Figures based on prospectus estimates, c. Dividend rate paid or payable on part capital, cover based on dividend on full capital, d. Assumed dividend and yield, f. Assumed dividend and yield after scrip issue, f. Forecast dividend cover on earnings adjusted by latest interim statements, h. Dividend and Yield based on prospectus or other official estimates for 1987, i. Estimated annualized dividend, cover and yield based on latest annual earnings, j. Forecast annualized dividend, cover and yield based on prospectus or other official estimates, w. Dividend cover, k. Indicated dividend, cover ratio to previous dividend, p. Ratio based on latest annual earnings, l. Forecast, or estimated annualized dividend rate, cover based on previous year's earnings, t. Issued by tender, f. Offer holders of ordinary shares as a 'rights' issue, * Issued by way of capitalization, † Placing price, ‡ Reintroduced, † Issued in connection with recapitalization meeting or takeover, § Allowance price, ¶ Unlisted securities market, †† Official London Stock Exchange listing warrants conditions.

FINANCIAL TIMES SURVEY: The Financial Times proposes to publish a MANAGING ENERGY SURVEY on December 2, 1986, copy date November 14. Lists subjects to be covered: 1. Introduction, 2. Populising Money, 3. Ideal Homes, 4. New Public Buildings, 5. Decisions for Industry, 6. Materials and Methods, 7. The Specialists, 8. Miles per Gallon, 9. Which Fuel. Includes contact information for William Clutterbuck.

EUROPEAN OPTIONS EXCHANGE: Table showing option prices for various series (GOLD C, SILVER C, etc.) across different dates (Nov 85, Feb 87, May 87, Dec 86, Mar 87, June 87).

BANK RETURN: Table showing banking department performance with columns for liabilities, assets, and issue department. Includes sub-sections for BANKING DEPARTMENT and ISSUE DEPARTMENT.

AUTHORISED UNIT TRUSTS

Table listing authorized unit trusts with columns for Name, Issue, Price, Date, High, Low, Stock, Change, etc. Includes sub-sections for Abbey Unit Trusts, Allied Overseas Unit Trusts, and others.

FT UNIT TRUST INFORMATION SERVICE

Large table listing FT Unit Trust Information Service with columns for Name, Issue, Price, Date, High, Low, Stock, Change, etc. Includes sub-sections for Abbey Unit Trusts, Allied Overseas Unit Trusts, and many others.

AUTHORISED UNIT TRUST & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, addresses, and product descriptions.

INSURANCES

Sub-table listing insurance companies and their specific policies, including details like policy numbers and terms.

Table listing various financial products and services, including details on investment options and company information.

Table listing various financial products and services, including details on investment options and company information.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial services, including company names, addresses, and contact information.

Table listing Overseas Funds, including fund names, managers, and performance metrics.

Table listing Money Funds, including fund names, managers, and performance metrics.

Table listing Money Market Bank Accounts, including bank names, account types, and interest rates.

TRADITIONAL OPTIONS

Table listing traditional options, including 3-month call rates and various option contracts.

A selection of options traded in the London Stock Exchange Report Page.

LONDON SHARE SERVICE

Table containing various market indices and sections: BRITISH FUNDS, AMERICANS-Cont., CANADIANS, BANKS, HP & LEASING, INT. BANKING & OSEAS, GOVT. STERLING ISSUES, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, FOREIGN BONDS & RAILS, AMERICANS.

Main table for LONDON SHARE SERVICE, divided into several industry sectors: BUILDING, TIMBER, ROADS-Cont., DRAPERY & STORES-Cont., ELECTRICALS, CHEMICALS, PLASTICS, DRAPERY AND STORES, BEERS, WINES & SPIRITS, BUILDING, TIMBER, ROADS, and ENGINEERING.

Table for INDUSTRIALS-Continued, listing various industrial companies and their share prices, organized into sub-sections like FOOD, GROCERIES, ETC., and HOTELS AND CATERERS.

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INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various engineering firms. Columns include stock name, price, and change.

LEISURE - Continued

Table of leisure and entertainment stocks including British Telecommunications, British Airways, and various media companies.

PROPERTY - Continued

Table of property and real estate related stocks including various land and building companies.

INVESTMENT TRUSTS - Cont.

Table of investment trusts such as British Venture, British Overseas, and various asset management funds.

FINANCE, LAND - Cont.

Table of financial and land-related stocks including various banks, insurance companies, and landowners.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aviation companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including various media and news organizations.

SHOES AND LEATHER

Table of shoes and leather goods stocks including various footwear and leather companies.

SOUTH AFRICAN

Table of South African stocks including various companies from that region.

TEXTILES

Table of textile stocks including various clothing and fabric manufacturers.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including various media and publishing companies.

TOBACCO

Table of tobacco stocks including various tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including various investment and real estate funds.

OVERSEAS TRADERS

Table of overseas trading stocks including various international trade companies.

PLANTATIONS

Table of plantation stocks including various agricultural and land management companies.

INSURANCE

Table of insurance stocks including various insurance companies.

PROPERTY

Table of property stocks including various real estate and land companies.

INVESTMENT TRUSTS

Table of investment trusts including various asset management funds.

FINANCE, LAND, etc

Table of finance, land, and other stocks including various financial and real estate companies.

MINES

Table of mining stocks including various mineral and metal companies.

Notes and miscellaneous information at the bottom of the page, including exchange rates and company announcements.

MARKETS

Not yet time for unbridled optimism

"THE Chancellor's U-turn" and "Spending up £10 billion over next year..."

an election could take place as soon as the late spring of next year, and that Thursday's...

yesterday on the prospect of increased public sector investment...

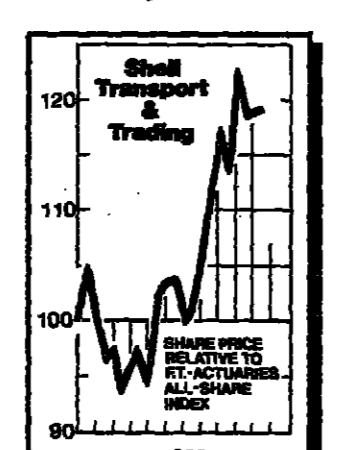
London

considerations about monetary strategy. All the same, the Chancellor is sailing close to the wind...

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Chancellor was predictably coy this week about the possibility of tax cuts next year...

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HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change, 1986 high, 1986 low. Rows include FT Ordinary Index, AE, BPB Industries, etc.

Change based on price at suspension

TSB floats again

"OH NO, not the TSB again! We have only just got rid of the last one!"

Whereas the TSB Group headed, not unreasonably, for the main market...

mainland. Hitherto banks had catered only for the rich, the savings banks were formed to house the savings of the poor.

In 1975 the Guernsey and Jersey Savings Bank were merged into the TSB (Channel Islands) on the recommendation of the Page Committee...

The Channel Islands bank is now composed of nine branches with 60,000 personal accounts and increasingly profitable

USM UNLISTED SECURITIES MARKET

businesses in commercial banking and off-shore accounts. The bank may be rather smaller than the parent bank...

Pre-tax profits have risen steadily in the 1980s, reaching an "artificial" peak of £4.88m in the 1982-83 financial year...

This puts the Channel Islands bank on a lower prospective p/e than its parent, with 4.9 compared with 7.83...

Alice Rawthorn

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Table with columns: Company, Value of bid per share, Market value, Price of bid, Value of bid, Bidder.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends.

(Figures in parentheses are for the corresponding period) Dividends are shown net pence per share...

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Lloyds Chemists—Placing 4.8m shares at 105p. London & Metropolitan—Offer for sale of 23.6m shares at 145p.

RIGHTS ISSUES

Bellair—To raise £3.3m through a one-for-one rights issue at 10p. Regalian Properties—To raise £35m through a three-for-seven rights issue at 32.5p.

FINANCIAL TIMES WORLD BANKING

This complete Survey, the first part of which appeared on May 22, will be republished as a booklet and will be available at the price of 25 (including p&g).

To: Kay Crellin, Overseas Advertisement Dept., Financial Times, Bracken House, 10 Cannon Street, London, EC4A 3DF.

Upswing boosts insurance

BRITAIN'S COMPOSITE insurers are in the midst of a strong cyclical upswing, led by major rate increases in their US business...

been experiencing on hurricane damage: the third quarter is the period when hurricanes normally make their greatest impact on results...

Analysts are expecting Royal, the largest of the composites, to produce pre-tax profits for the quarter of about £76m (£24.4m) making £163m for the nine months (£16.6m). General

Accident is forecast to produce third-quarter profits of about £49m (£12.7m), making £97m for the nine months (£11.2m).

Results due next week

second quarter's record £295m but still, at £285m, well above last year's £265m result.

Analysts' estimates for SAINSBURY'S interim figures, to be announced on Tuesday, vary between £110m pre-tax profits and £120m as opposed to £92.4m in the first half last year.

their forecasts to around the middle of the range following the recent revelation of Tesco's breakthrough in gross margins.

Supermarkets are benefiting from low price-inflation, eliminating pressure on sales margins from competitive cut-price campaigns...

following the poison capsule scare and a cancelled advertising campaign.

The good news is the continued strength of the antiviral drug Zovirax, sales of which are likely to have topped the £100m mark.

Advise currency movements are likely to have cost SMITHS INDUSTRIES more than £2m in pre-tax profits last year...

The lure of the golden west

GOLD HAS continued to hover just above the \$400 an ounce level this week, despite the fears that it might have drifted lower...

production is due to start by March 1988, and in the early years will run at an annual rate of about 5 tonnes (100,755 oz) of gold.

Mining

which also has growing non-South African gold interests. These important earners are held by the Newmont Gold subsidiary.

tion expertise — the goose which lays the golden eggs. At last, after six years of the same incident, Asawa aims to increase the payout and he forecast: "Our profits should move up strongly during the course of this year."

Another thing he said — which should not go unnoticed — was that the big Renison tin mine in Tasmania owned by the group's Australian arm, Renison Goldfields Consolidated, has boosted production and lowered its costs below the still depressed price of tin.

which they reckon is too low. Two other members feel the same way, while the remaining four men make no comment because of their links with Dalhousie.

So this looks to be an offer that UK shareholders of Metals Ex can afford to refuse, even though there is a rights issue pending of two new shares at 80 cents (about 38p) for each one held.

Exchange parities may have cost £20m, but continued losses at Cooper's Animal Health, perhaps £10m, are another depressant. There has been little joy for Stateside sales of Actived, the cold treatment.

Paragon Resources—the Australian gold explorer born out of the controversial bid for Seltrust Holdings by British Petroleum—has sold forward a further 3,000 oz of gold at \$8740 (US\$474) per oz.

De Beers is to use the airborne scanner exploration system of multi-producing Carr Boyd Minerals in a joint venture to search for diamonds in Western Australia.

Meekatharra Minerals, disappointed in its hopes to develop a major coal mining development in South Australia, now announces a find of 150m tonnes of lignite (brown coal) near Ballymoney, County Antrim, in Northern Ireland.

Kenneth Marston

Dividends are shown net pence per share and are adjusted for any intervening stock issues.

MARKETS

Raiders rampant

IT HAS been busy outside Wall Street this week (what with the mid-term congressional election, the quarterly refundings, and the regular meeting of the Federal Open Market Committee (FOMC) which sets US monetary policy).

In the international arena, the recent ousting of Sheikh Yamani, Saudi Arabia's famous oil minister, and the US and Japanese attempts to stabilise their respective currencies, may have longer-term implications for the direction of US share prices. But, for the moment, money managers appear to have put their concerns about such matters on hold and are continuing to concentrate on the more enjoyable short-term business of spotting the next big "takeover play" among the dwindling number of US corporate giants which have yet to fall between the gun-sights of Wall Street's intrepid corporate raiders.

Listening to some of the comments ahead of Tuesday's election, the possibility of the Democrats winning control of the Senate and thus regaining control of both houses of Congress, was not the sort of news Wall Street wanted to hear. However, it shrugged off the setback and moved ahead the next day, testing the 1900 level.

The quarterly refunding did not go as well as had been hoped by some of the major participants. The Japanese appetite for US government paper was less than expected and domestic investors hung back, with the result that roughly half of the \$9.25bn new

government long bond was left with the dealers. By yesterday morning, the yield had risen by 5 basis points above Thursday's auction price of 7.54 per cent.

Yesterday morning's US employment figures—showing a higher-than-expected rise in non-farm payrolls—also did not help the mood in the credit markets where hopes of an early cut in the discount rate, following last week's move by the Japanese, are ebbing fast. Recent US economic figures have shown some improvement, lessening the need for further interest rate cuts, although the durability of the analysts are still uncertain present acceleration in the economy.

Wall Street

Against this background, Wall Street has drifted this week and analysts still find it difficult to argue the case for sharply higher US share prices over the next couple of months. The surge in takeover activity is one of the major reasons for the market's present strength. However, for the first time in a long while, there were signs this week that some of the more aggressive arbitrageurs may have had their fingers burned, which could cool the recent speculative excess and dampen the enthusiasm of some of the corporate raiders who have been out in force.

CPC International, a sprawling grocery products group, was a case in point. Wall Street has been buzzing with rumours

that Ronald Perelman, the corporate raider who conquered Revlon, was building up a stake. Last week, the shares rose by \$82 to \$83, and this week they rose again after news that the company was buying back a large chunk of them. Unfortunately, it paid \$88 and CPC shares slumped by \$10 over the next few hours.

This episode has caused a lot of bad feeling among arbitrageurs, whose presence is normally an essential ingredient in any big takeover. Similarly, there was Sir James Goldsmith's announcement that he had offered \$49 a share in cash for Goodyear, followed by the news that he had withdrawn the offer to give Goodyear's investment bankers time to prove that the tyre giant's sweeping restructuring plans would justify a share price of over \$50.

Goodyear's shares had slipped to \$41 yesterday morning and Sir James has indicated that if they remain below \$50 he will probably resurrect his takeover bid. Meanwhile, news that Hanson Trust was a silent partner in Sir James' Goodyear investment has caused more than usual interest on Wall Street, where Hanson's American subsidiary receipts were listed on the New York Stock Exchange this week. There has been heavy trading in the Hanson shares and by yesterday morning the ADR was being quoted at \$152.

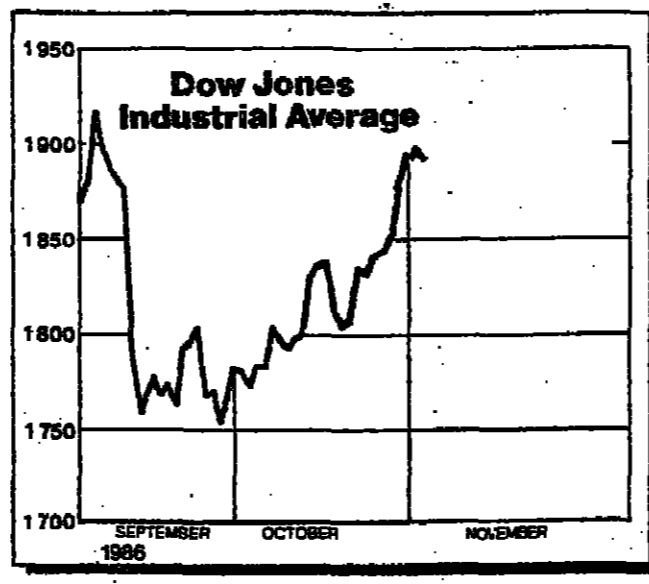
Most of the major share movements this week have been fuelled by takeover rumours. Lear Siegler's shares rose by \$5 to \$90 following an unsolicited bid from AFG Partners. GTE shares rose for the

second week running as the company announced several steps including a big share buy-back to thwart an unsolicited takeover bid.

Given the mass of regulations which surround telephone companies, the idea of a hostile takeover bid for GTE has surprised some analysts. Canada's Bell family, second-rung corporate raiders, was said to have been interested in GTE. Irwin Jacobs, another second-line corporate raider, was mentioned as a possible bidder for Borg-Warner, which sent its shares higher.

Various other corporate raiders, ranging from Donald Trump to Coniston Partners, were said to be interested in Pan Am (85), Trans World (84), Gillette (\$52) and Time Inc (\$78).

Among the household names on Wall Street, General Motors shares rose above \$73 this week



Reason takes over

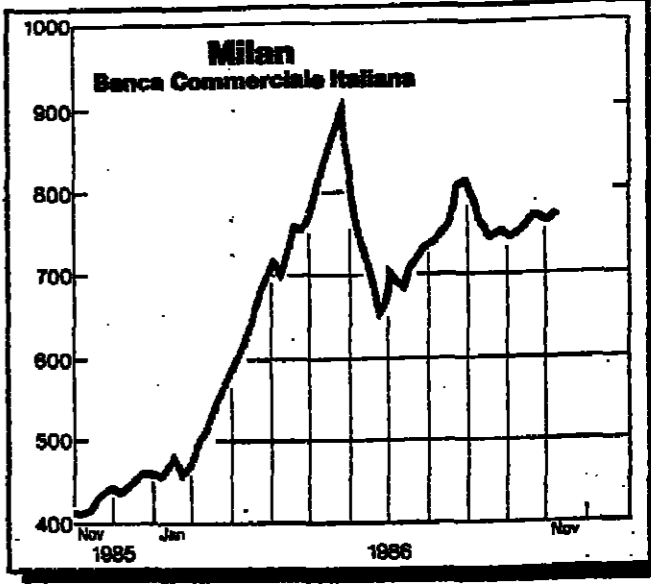
NEARLY six months after the great shake-out on the Milan bourse, the market is now in danger of behaving in a most un-Italian way, namely, in a rational manner.

The boom time ended last May when the bourse saw prices drop by 20 per cent in a week after the main market index had nearly doubled during the first five months of the year. Since the start of the summer, share prices of most stocks have oscillated only very mildly, with the exception of a brief mini-rally early in August.

In most of the past 10 weeks for example, the share index has closed each Friday with a 1 or 2 per cent change of the week. The big foreign institutions did their heavy selling last May and are now either holding on to their Italian shares or selling small tranches from time to time. The home-grown Italian unit trusts, which have attracted total savings of \$32bn, are still heavily invested in the bourse, which has helped to stabilise the scene considerably.

Gone, though, are the hefty capital gains; while the average performance of fund managers over the past 12 months is an impressive 50 per cent, the figure over the last six months is a puny 5 per cent.

"We are in a flat period," says Urbano Aletti, one of



Milan's senior stockbrokers. Another broker remarked that "we have worked and hoped for some time to achieve a more rational market in Italy and now share prices have consolidated. We have got what we wanted."

This being Italy, however, things are not quite as calm as they appear from the share indices. For one thing, average trading volume, although down considerably on last year, is still close to L200bn (£100m) a day, which is healthy for Milan. Settlement delays remain a problem, but the wait for payment on share transactions is down from several months to several weeks.

And if the market seems quiet, so it might well be as it has been digesting a record £4.8bn of fund raising rights issues since the start of the year. The ravenous Carlo de Benedetti will have tapped Milan and Paris markets for a total of around US\$2bn. Montedison, which is now effectively controlled by Raul Gardini's Ferruzzi foods group, has launched a string of rights issues for subsidiaries to raise US\$1.7bn this year.

The bourse might be quiet these days, but the BCI index is nonetheless 68.5 per cent up on January levels. The calm in Milan comes in this case after the storm—a market boom that saw total capitalisation of the bourse jump from US\$250bn in 1984 to US\$1300bn at present.

Perhaps the year's most important development came last month when Ferruzzi paid around L1,000bn (£500m) to obtain 22 per cent of Montedison shares, giving it, under Italian convention, effective control. Not only did this move by Ferruzzi establish a new balance of power in Italian finance (Ferruzzi being part of the croika of power brokers with Gianni Agnelli and de Benedetti) but the deal also demonstrated that the Milan bourse

Milan

Soviet harvest surprises Chicago

IF THERE are any speculators still playing the US grain markets on the assumption that an extended bull phase is long overdue, this week's projection of the size of the Soviet harvest may finally have persuaded them to throw in the towel and cut their losses.

The bumper 210m tonne grain harvest, which a Soviet Politburo member told the Kremlin that the country is now expecting, exceeds by at least 20m tonnes any comparable crop estimate yet to come out of the west. An indifferent Soviet harvest had generally been anticipated, owing to poor weather conditions in main growing regions. However, widespread autumn rain, together with better policy co-ordination, is now said to have boosted crops to what would be an eight year record.

Under the circumstances, the response of the Chicago futures market to Thursday's news from Moscow was actually rather lukewarm. Nearby wheat prices fell 8 1/2 cents to \$2.884 per

bushel. But maize prices were down only 1 cent to \$1.724 in thin trading. The market's resilience, however, appears to stem more from scepticism at the accuracy of the latest figure than from any more encouraging news to set against it.

"You have to hold it in abeyance," said Mr Gerry Hildebrandt, a vice president with St Louis based Clayton brokerage. "Obviously it's in Soviet interests to say that." Others compared the announcement with Brazilian estimates of the national soya bean crop, which are widely perceived habitually to understate actual levels. There was even the suggestion that the announcement might be a part of a ploy to get grain prices even further ahead of the "major Soviet purchasing programme" which more and more analysts are disposed to regard as apocryphal.

Certainly, all eyes will now be turned to the next series of USDA crop estimates due on Monday. "I think more people will watch the USDA figure."

Commodities

Said Mr Ken Adair, an analyst with Chicago's Geldermann. This may point to more concerted bear moves in the grain markets next week if the USDA Soviet crop estimate is itself increased. "The USDA will be raising its estimate on Monday," predicted Mr Ted Mao, a New York-based vice president with Shearson Lehman Brothers. "But I seriously doubt that they will raise it to 210m tonnes. Most are agreed that it would take a substantial 'bullish surprise' in Monday's revised USDA domestic wheat and maize crop estimates to head of

further declines in already historically low price levels. "Now I think the market will resume its downtrend," predicted Mr Victor Lespinasse of Chicago's Dean Witter Reynolds. Soft red wheat, the grade traded on the Chicago Board of Trade, is generally regarded as overpriced compared with other varieties because of US supply tightness. As one analyst said, it now appears "to have run its course on the upside."

Further maize price cuts may be comparatively modest however despite rumours of an impending burst of technical selling and the prospect of a renewed flood of generic commodity certificates coming onto the market. As Shearson's Mr Mao explained, maize receives a considerable degree of artificial support at current depressed levels. "With its fall in recent months, the market

has reached a discount to the government loan programme," he said.

By way of contrast, the bulls have been getting the better of a close-fought battle in the sugar market recently. And having edged up from the early-September lows, prices put on something of a spurt in the early part of this week. On the futures market, nearby values touched the highest levels for five months and the London daily raw sugar price—an indicator price taking account of the physical market as well as the futures market—ended the week \$10.50 higher at \$154 a tonne.

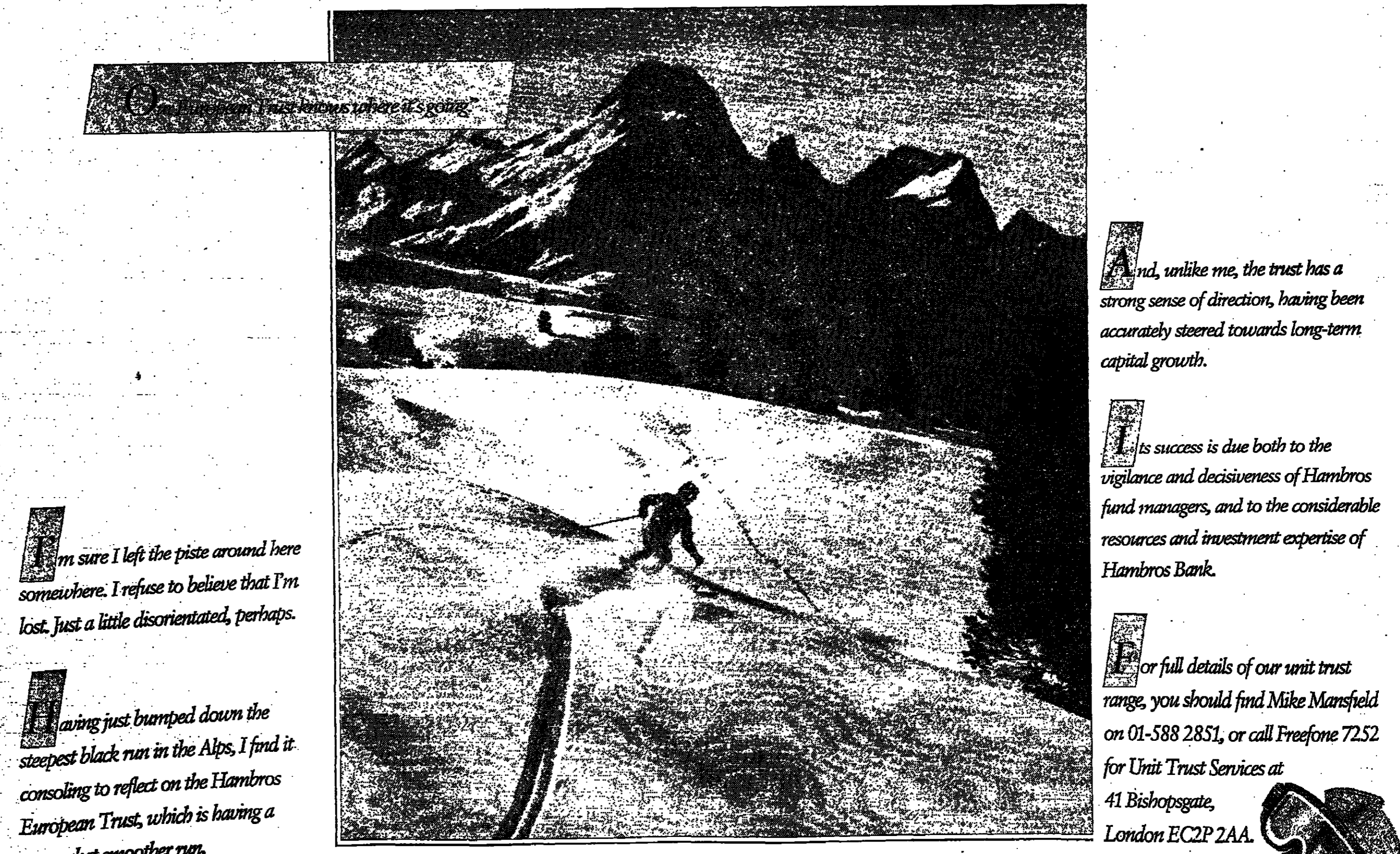
Traders attributed the rise chiefly to indications that exports from Brazil—the largest single exporter to the world market—might be reduced quite substantially because domestic Brazilian con-

sumption is booming as a result of the government's recent anti-inflation measures. A recent spate of buying tenders has also contributed to the market's strength. On the debit side, however, is the lower level of world import demand and the continuing high level of world stocks, although their size as a proportion of annual demand is estimated to be at a four-year low of 35.3 per cent.

These bearish considerations were underlined this week by a report from F. O. Licht, the influential West German sugar statistics consultancy, which forecast that stocks would be reduced by only about 1m tonnes in 1986-87 against early forecasts of about 3m tonnes.

But although the bulls had lost the ascendancy by the end of the week, values fell only a dollar or two from their peaks, indicating that the bull run had run out of steam, rather than boiled over.

Richard Mooney



Im sure I left the piste around here somewhere. I refuse to believe that I'm lost. Just a little disorientated, perhaps.

Having just bumped down the steepest black run in the Alps, I find it consoling to reflect on the Hambros European Trust, which is having a somewhat smoother run.

And, unlike me, the trust has a strong sense of direction, having been accurately steered towards long-term capital growth.

It's success is due both to the vigilance and decisiveness of Hambros fund managers, and to the considerable resources and investment expertise of Hambros Bank.

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FINANCE & THE FAMILY

John Edwards assesses the response to the Government's personal share scheme

Tax lure means that PEPs are here to stay

THE PUSH is on to promote interest in Personal Equity Plans, first announced in the Budget as a "radical scheme" to further the Government's aim of making Britain a nation of shareholders.

Norman Lamont, Financial Secretary to the Treasury, extolled the virtues of PEP when opening the Money 86 exhibition in London recently and will be doing so again today at a special seminar staged by the Fidelity group at Wembley conference centre, expected to attract over 3,000 investors.

The public. The clearing banks have also showed enthusiasm, since the scheme is ideally suited to their plans of expanding their investment activities to a wider audience.



Norman Lamont

to reduce exposure to the UK market, while the whole purpose of the scheme has to encourage investment in British industry.

The political motive is to involve more people with the stock market and industry, thus making them into little capitalists with an investment stake they will want to protect.

It sounds attractive. You buy shares, pay no tax on the profits, and the plan managers carry the burden of buying and selling, keeping records and dealing with tax.

It is not quite working out that way. Plan managers could not afford to offer such a service at rates cheap enough to preserve tax savings.

Most managers are taking full advantage of the concession wrung from Government following one quarter of the portfolio value or £420 (whichever is the greater) to put into unit or investment trusts.

In other words PEP's "tax free" incentive is being used as a vehicle for increasing unit trusts sales.

The scheme leaves little scope for buying enough shares to achieve a balanced portfolio, with reduced risk.

It looks as if the larger investors may well enjoy the major benefits since they will be able to use PEP as a tax free element of a larger balanced portfolio, reaping the full capital gains tax concessions as well.

Nevertheless as Mark Tennent of Hill Samuel remarked when introducing his group's PEP schemes, it seems foolish to look a gift horse in the mouth.

The government is committed to making the PEP scheme work, and the Labour Party though sceptical can hardly argue against encouraging more investment in British industry.

THE MAIN POINTS

AN EXPLANATORY leaflet on Personal Equity Plans is now available either direct from the Treasury (Parliament Street, London SW1P 3AG) or from your local Inland Revenue office.

You are exempted from paying any tax, either capital gains or income tax, on your PEP investment providing that you retain it, and reinvest all earnings, until at least the end of 1988.

You go in at the start on January 1 1987, your money will be locked away for a minimum of two years. But this period is reduced if you go into the Plan later anytime during 1987.

Funds must be invested in ordinary shares of UK companies listed on the London Stock Exchange or quoted on the Unlisted Securities Market (USM).

You can invest up to £2,400 a year (£200 a month) in Personal Equity Plans. Each plan lasts one calendar year, starting from January 1987.

During the first year only (1987) you will be permitted to hold your entire PEP investment in cash. But you

will only qualify for tax-free treatment of the interest earned providing you retain the investment for at least the whole of the second PEP year (1988).

PEP managers have to be authorised to deal in securities, currently under the terms of the Prevention of Fraud and Investments Act.

Under the new Financial Services legislation they will have to be authorised to carry on investment business. Plan managers must be registered with the Inland Revenue and comply with the PEP rules.

Potential plan managers include banks, unit and investment trust groups, stockbrokers and building societies.

Plan managers must arrange for investors to receive annual reports and accounts of the company shares held; and be prepared to arrange for investors to attend shareholders' meetings, exercise voting rights and receive other shareholder information.

Plan managers will be responsible for all the paperwork: buying and selling of shares or unit and investment trusts; record keeping; dealing with tax authorities. They must also provide the investor with adequate information about the Plan, including an explicit statement of management charges.

Lloyds goes for a killing

LOYD'S BANK seems to have gone for an early knockout of rivals in the battle to win Personal Equity Plan (PEP) business.

The bank's scheme, announced this week, is far cheaper than any so far and at the same time offers considerably more flexibility and choice for the investor.

Two alternatives are on offer—the Managed Scheme, where investments are managed by the bank on a discretionary basis, or the Choice Scheme, where you can select shares from a range of 20 leading quoted companies.

Unlike other plans, however, both have the option of either putting a percentage of the total sum into unit trusts (Lloyds) up to the maximum amount of £420 a year, or putting all your money into shares.

In addition under the Choice Scheme you can decide to keep your money in cash form during the first year period of the PEP scheme ending on December 31, 1987.

The bank will send a "choice sheet" each month to PEP participants whose cash balance exceeds £100.

If you opt to buy shares or unit trusts the appropriate investments will be made on your behalf.

However if you decide against any investment, your money will be retained on deposit, earning the Lloyds high interest cheque account rate—currently 7.7 per cent.

For the taxpayer paying the current rate of 60 per cent, the current 7.7 per cent tax-free interest rate would be the gross equivalent of nearly 20 per cent. After the first year, when there are stricter Revenue limits on the amount of cash that can be held, Lloyds will buy you shares at their discretion if you fail to make a choice of investments, otherwise the plan would lose its tax-free status.

However, the real killer punch so far as the bank's scheme is concerned is that Lloyds has fixed a fee of 1 per cent (plus VAT) of the value of each year's plan. And if you stick with the bank's monthly pattern of share transactions, Lloyds says that by the use of bulk buying power the brokerage rate will be cut to as low as 0.20 per cent—the normal rate now being paid by institutions—with no minimum.

allows access to any of the group's range of 28 unit trusts. It can be used by small investors, or larger investors wishing to diversify and include overseas exposure in the PEP portfolio.

The Managed Portfolio is based on 10 shares selected and managed by stockbrokers Montagu Loeb Stanley, a subsidiary of Save and Prosper.

Finally, the Dealing Service allows you to select individual shares from an extensive list approved by Save & Prosper. Shares will be purchased in bulk by Montagu Loeb Stanley.

All of the three plans will have an initial charge of 1.5 per cent. However, unit trusts will be purchased at a discount of 1.25 per cent to remove any front-end double charging.

In addition, there will be annual charges of 0.25 per cent of the value for the Unit Trust option and 1.25 per cent for the other two schemes.

Shares for the Dealing Service will be purchased and sold at a net cost of 0.75 per cent, including brokerage commission.

Fidelity and Hill Samuel, who also announced details of their PEP plans this week, is charging the normal unit trust front load entry fee of 5 per cent (£120 on an investment of £2,400). In addition, there is an annual management fee of 1 per cent (Hill Samuel) and

MIDLAND BANK announced its PEP plans on Friday. It is offering two schemes. One called the Bespoke Plan, aimed at people with existing share portfolios, offers you the choice of making PEP investments in leading UK equities (and possibly some USM stocks) either on a discretionary or an advisory basis.

The charge will be 1 per cent per annum, payable half yearly. Brokerage costs will be below those normally paid by a small investor.

The bank is also offering a Managed Plan, with a minimum contribution of only £20 a month or a lump sum of £200 up to the maximum of £200 a month (£2,400). Under this plan up to £420 will go into Midland unit trusts at the normal charges.

Any remainder will go into shares and the equity content will be charged at 1 per cent of the value, with a minimum of £15.

1.25 per cent (Fidelity), but no brokerage charges. Hill Samuel, however, will charge an extra £25 for early withdrawal from the plan while Fidelity will not. Fidelity is also giving 1 per cent discount to anyone applying to join the scheme before December 19.

As with the Barclays and NatWest schemes, you have to put the first £420 into a specified (in-house) unit trust. In most cases you only have the choice of one fund, unlike Lloyds and Save & Prosper who offer a range, and there is no cash alternative.

For contributions above £420 Hill Samuel is offering two choices of managed funds, which are suspiciously close to a unit trust. Lump sum investors only can go into an Aggressive Growth Fund (nicknamed the Rambo fund), supposed to appeal particularly to higher rate taxpayers.

Advice to the unwary abroad in the City, or THE PARAKEET AND THE PERILS OF LIVING IN THE STICKS.

THE jungle steamed after yet another deluge of scalding rain. Chameleons, who had stopped to shelter beneath the overhanging leaves, changed from amber to green and moved off again.

With a squawk of contentment, he spread his wings and flew down through the dripping branches. Swooping low, he picked out a particularly fine stick and returned to his perch.

He puffed out his brilliant green chest feathers in pride as he brought the final stick to rest. Taking his beloved by the claw, he carried her triumphantly over the threshold. But then something seemed to stir.

He blinked. Sure enough, the whole nest appeared to be alive. To his astonishment, it was edging slowly but inexorably along the branch. Then it leapt from the tree and scuttled into the undergrowth, taking the two love birds with it.

A wise old macaw was gazing down sympathetically. "Stick insects," he muttered. "An easy mistake to make."

The City is a jungle, too. Here, too, things aren't always quite what they seem to the untrained eye. With the resources and the experience of one of the UK's largest investment management organisations, Mercury can provide you with the discerning judgment you need.

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FINANCE & THE FAMILY

Chris Sherwell on the Antipodean answer to the golden krugerrand Australia mines a rich new vein

IT WAS meant to be a low-key function, but at Goldcorp Australia they had to take the telephones off the hook to avoid a flood of inquiries which came in its wake.

The function, held this week in Perth, Western Australia, was the launch of the first proof issue of the Australian "nugget" gold bullion coin. The inquiries came from Australians keen to buy some of the several thousand coins reserved for them.

The proof issue was launched with a flourish by Brian Burke, Western Australia's state premier. Mass-produced nugget coins are due to enter the world market next year. Nuggets join the trend-setting South African kruggerand, the Canadian maple leaf, the US eagle and several others on the world market.

The nugget's backers are aiming for around 10 per cent of this global market, or between 300,000 and 500,000 coins a year. Although the coin market has shrunk dramatically since the boom days of 1979-80, the hope is that the beginnings of a new bull market have already arrived.

Fuelling this hope is the apparent retreat, on financial markets, from paper assets and currencies; fears of renewed inflation are reflected in a firming price for bullion.

"We believe there is a place in the sun for all these coins," says Don Mackay-Coghill, chief executive of Goldcorp. He is a recently arrived immigrant from South Africa, where he was regarded as the marketing genius behind the highly successful kruggerand. Those who have met him have no

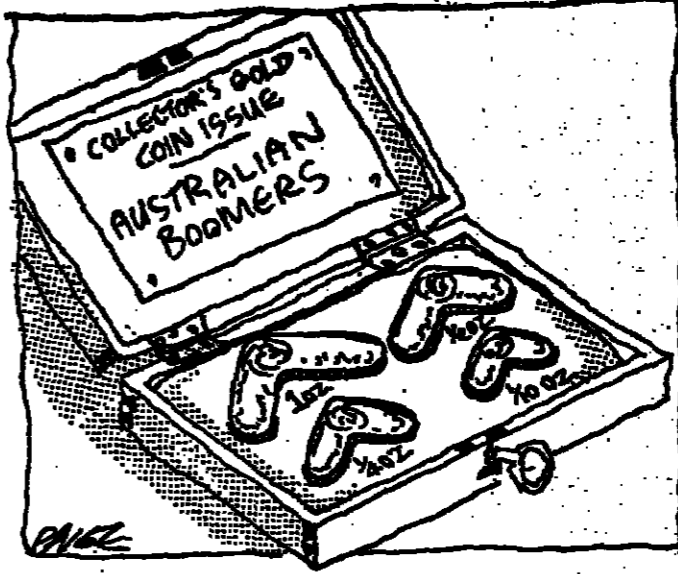
doubt of his ability to market what is, for Australia, a new product. One gold specialist at a foreign bank impressed, said the West Australian government — which owns Goldcorp through its State Development Corporation — had done well to get the right people for its coin operation.

Half of the proof issue of the nugget is being reserved for Australians, although Goldcorp has received orders from abroad which would easily cover the whole issue. The proof issue, intended to stimulate interest in the coming mass-produced coin, is designed specifically to be a collector's item as well as an investment. A total of 60,000 proof coins is being released; 12,000 full sets of four coin sizes (one ounce, half-ounce, quarter-ounce and one-tenth ounce); 3,000 half-sets (quarter-ounce and one-tenth ounce); 3,000 one-ounce coins; and 3,000 half-ounce coins.

Each is a "four-niner," or 99.99 per cent pure; the only proof gold coins to be minted at this fineness. Adding to their rarity value is a 1986 date-stamp and a set of different designs on the reverse side — designs which will be changed for the mass-produced coins next year.

Accordingly, the prices (£2,004 for the full set) represent a sizeable 57 per cent premium over the cost of the gold in each coin. The mass-produced nugget is likely to command a premium of only a few percentage points.

These will make Australia, already the fastest-growing producer of gold, one of the



world's four major gold coin producers, along with South Africa, Canada and the US. According to Mackay-Coghill, Goldcorp expects to sell between 300,000 ounces and 400,000 ounces of coins in the first year, worth A\$200m-250m at current prices; and a further 500,000 ounces in the second year. In a few years, he says, one-third of total Australian gold production could be sold in coin form. (Production is expected to reach 80 tonnes in 1986, up from 18.4 tonnes in 1981 but still well short of South Africa, which is the non-communist world's largest producer with more than 600 tonnes a year.)

He foresees that, given the size of the US market, the eagle will be the "dominant product." It

is clear that he timed the nugget's launch deliberately to follow the eagle's. The US coin, he says, will be the "Golden greenback" — and draws attention to the irony of the apparent renouveau of gold.

For Western Australia, or at least for Brian Burke, the nugget is part of something larger. A new mint is going up near the airport of Perth. It will incorporate the latest refining, coinage, bullion storage and security equipment and the idea is to promote Perth as an international bullion centre.

There will also be a smaller mint complex at Kalgoorlie offering services to producers and prospectors; a gold museum; and a longer-term programme to promote gold and gold investment products.

All this is part of an ambitious plan to promote Perth as an Asia-Pacific financial centre. Burke mentions the possibility of a second board for the Perth Stock Exchange, and of international insurance exchange.

Whether or not it all happens is for the future. Now, Burke talks of Australia experiencing its third great gold rush. But Australia might seem to be recognised as something more than a mere producer of gold.

Beyond the Big Bang

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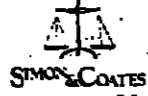
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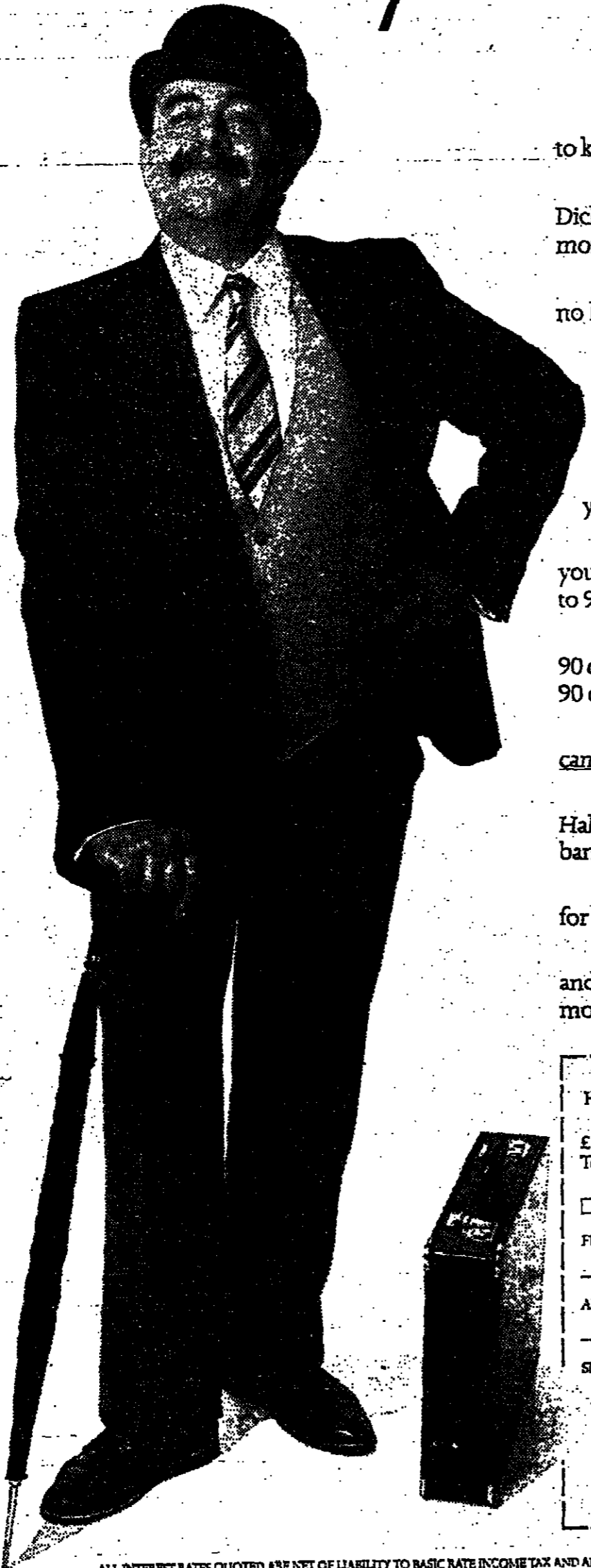
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HALIFAX THE WORLD'S NO.1 FT/165

Trust aims to control risk

THE DAYS of the bear market are getting near—but many investment managers are not equipped to handle funds in such a situation, having lived with a decade of bull markets.

So thinks Patrick Whittingdale, chairman and managing director of international money manager Whittingdale.

If this dire prediction is fulfilled, the problem facing investors is how to hedge against a bear market. Experience has shown that prices are far more volatile at such times and equity based investments are not geared to cope with the conditions. In the great bear market of 1974, unit trusts simply went down with the market.

The classic solution is to switch to cash, but unit trusts are not geared for switching. The investor has to meet the front-end load each time he switches, a delight for the intermediary but not necessarily in the best interests of investors.

Whittingdale's solution is to launch an entirely new unit trust known as Challenger and claimed to be the world's first controlled risk trust.

It has the widest possible investment powers worldwide—bonds and cash as well as equities. The Department of Trade and Industry appears to be relaxing its attitudes on permissible investments in anticipation of the new style unit trusts operating in the brave new world of the financial services legislation.

Whittingdale intends to use these investment powers to switch the asset allocation of the trust to meet expected market trends, switching into bonds or cash when it thinks the equity market will fall. It claims that the trust comes as close as possible to providing a private investment management service.

Patrick Whittingdale considers the key investment question at present is whether a consumer boom is about to start in Japan. Pending that, the initial investment in the trust will be deposits outside the UK, and by the end of this year he expects the fund to be either in long dated bonds or in US manufacturing equities, property shares and commodity shares.

Its charging structure is unusual — no front-end load and a 2.25 per cent annual renewal charge. But it is a structure that will meet the requirements of Whittingdale's main client base — names at Lloyd's.

Whittingdale was formed in 1977 with the backing of Stephen Merrett and the Merrett Group, one of the largest underwriting groups at Lloyd's. It is one of the leading investment managers for Lloyd's syndicates. Its natural market is Lloyd's members and its gilt trust was aimed primarily at these investors.

As such, they are usually top rate taxpayers. An annual charge comes out of the fund before tax, while any front-end load would be paid out of taxed income. Such investors are still better off in net terms after 10 years compared with the cost of the normal 5 per cent initial charge and 1 per cent annual management fee.

Outside Lloyd's, Whittingdale sees the main source of business as coming from accountants and solicitors.

Two other groups have different ideas on how to hedge against falling markets. City of Edinburgh Life has launched the first fund — the Investment Strategy Fund — aimed at hedging against a change of government. The strategy of its fund managers, Stanecastle Assets, is very similar to that of Whittingdale — moving investments around to meet changing conditions. Unifund life funds, with their very wide investment powers, can already do this without DTI approval.

Merchant banker Guinness Mahon feels that the present mood of uncertainty is an opportune time to draw attention to the successful money funds in its range of offshore funds under the Guinness Mahon Global Strategy Fund umbrella.

However, manager Howard Flight emphasises that money funds should be used only for the liquidity part of an investor's portfolio and not as a substitute for global equity investment. Nevertheless, in times of uncertainty cash is always a safe haven.

Eric Short

Safer futures

FUTURES, quite properly, have a high risk reputation. Horror stories abound of fortunes lost by those unwise enough to venture into these esoteric markets. So anyone offering a futures fund has quite a credibility battle ahead.

Gourlay Wolf and Co, London based futures brokers, in launching a Financial Futures account are trying to soothe investors' fears with a money-back guarantee. A similar technique is already used by The Mint futures fund and more recently by Gartmore for its conventional Safeguard fund. The Gourlay Wolf approach is similar to that used by Gartmore in that the total investment made is split into two components. The larger portion is put into zero-coupon US Government Bonds which by the end of five years will have a face value equal to 100 per cent of the original investment. The portion put into the bonds depends on interest rates, but it should be around 70 per cent.

The remaining balance (about 30 per cent) is then used to operate a trading system in the London futures markets for 30 year gilts and three months Eurodollars interest rates. The leverage available from the margin trading in futures means that above average rewards can be earned if the markets go the "right" way, while if the system goes wrong, the original capital is safe... provided you wait for five years before drawing it out.

With a minimum investment of £5,000, it is not for the poor and needy.

John Edwards

FINANCE & THE FAMILY

Feona McEwan looks at the big advertising campaign

Someone please find Sid!

WHOEVER SID is, he must be the only man in Britain who hasn't heard about the British Gas share offer. And if the temperature inside the advertising industry is anything to go by, we wish they'd find him and spare us all this indulgent overkill.

There can be few consumers in Britain who don't know that he is the subject of the final phase of British Gas's pre-floatation advertising, the biggest single campaign in advertising history. You can't open a paper, switch on the telly, pass a poster, flick through a magazine or even open your gas bill without tripping over the corporation's "hurry up" message exhorting everyone everywhere to grab a slice of the action, ending with the pay-off line: "If you see Sid, tell him."

Quite obviously the government is taking no chances that the floatation won't be a success. Indeed, failure would jeopardise its long-term privatisation programme and memories of Britoil and Amersham International doubtless still sting.

British Gas's total marketing

budget is put in the region of £20m, if not more—though the corporation and the government are maintaining their policy of naughtiness on the matter—which makes it more than double the pioneering British Telecom floatation last year. Such advertising saturation will ensure, it is estimated, that a mere 2 per cent of the adult population will escape the message.

But inside advertising circles there is an uncomfortable feeling about both the amount and the execution of the campaign. Comments from senior management of what is a largely self-critical industry are far from flattering. "Excessive amounts of money used to communicate a single message in a rather banal and ponderous way," said one. For obvious reasons most of the commentators preferred to remain anonymous.

"It is an announcement advertising, not advocacy advertising," said another, referring to the copyline "British Gas, Soon Anyone Can Buy A Share." Others agree. "It doesn't say what is special about this company." There's no piece of information



British Gas

persuading us why we should invest. All they're saying is that the company is there. Maybe the view is that everyone is so sold on the idea of share ownership that no more needs to be said.

Whether Sid has caught the public imagination or not, or persuaded punters to part with their money, he generates particular dislike in advertising circles. "I can't think of work I dislike more on television at the moment," is the view of Malcolm Gluck, creative director of SSC&B Lintas. "I hate the Sid ads. They are patronising and poke fun at the viewer un-

like the TSB bowler hat, for example, which poked fun at themselves."

Comments on earlier phases are equally disparaging. The initial "awareness" phase featuring flaming beacons and torchbearers, draws criticism of being pompous, showing a level of reverence that worries critics. "After all it's not a cancer cure they're talking about..." "All that's worst about American advertising." "The let's put the product on the altar and worship at the shrine school of advertising."

Creatively British Gas does win points, however, for its pre-floatation corporate advertising. Featuring Larry Hagman as JR and reciting of company attributes, it established some basic facts, such as that gas is available in 16m homes.

On the magnitude of the advertising budget, there is a widespread view that far less would have done the trick. BT, being the first major nationalised industry to seek wider shareownership, had to also sell the concept, made do with around £9m and triumphed, goes the argument.

Everything to play for...

POTENTIAL investors have until November 30 to take a stake in what must be the most bizarre company formed under the Business Expansion Scheme. Carter Bennett Associates plans to invest in musicians. At the moment it has signed up just one, the pianist Clive Britton, but if it raises the £250,000 it is looking for, or even the £100,000 it can get by on, it hopes to add more musicians to its stable.

So far about £20,000 has been raised, mainly from music-loving speculators. The idea is that talented young musicians have a difficult time getting started but when they are firmly established fees from concerts and recordings can be considerable. In return for an annual salary of £20,000 in the first year (going up to £50,000 by year five) plus car and expenses, Britton will hand over all his earnings to Carter Bennett.

He currently gets about £300 a performance but the company

also proposes to act as promoter, marketing his reputation in the regions and hoping that his talent will take him up to the top £2,500 an appearance bracket.

It is, of course, extremely speculative. Britton, 29, has gathered some good reviews but this is an intensely competitive world. He has a South American tour booked for next year, financed by the British Council, but there are many blank dates awaiting the selling power of Carter Bennett.

In Year One the company expects to spend £30,000 on marketing and administration out of a total expenditure of £63,000. An operating profit is planned for Year Three, with the company fully in the black in its fifth year.

Carter Bennett Associates certainly fulfils one of the conditions of a BES in being risky; whether it meets the other proclaimed aim of creating employment is more doubtful. There



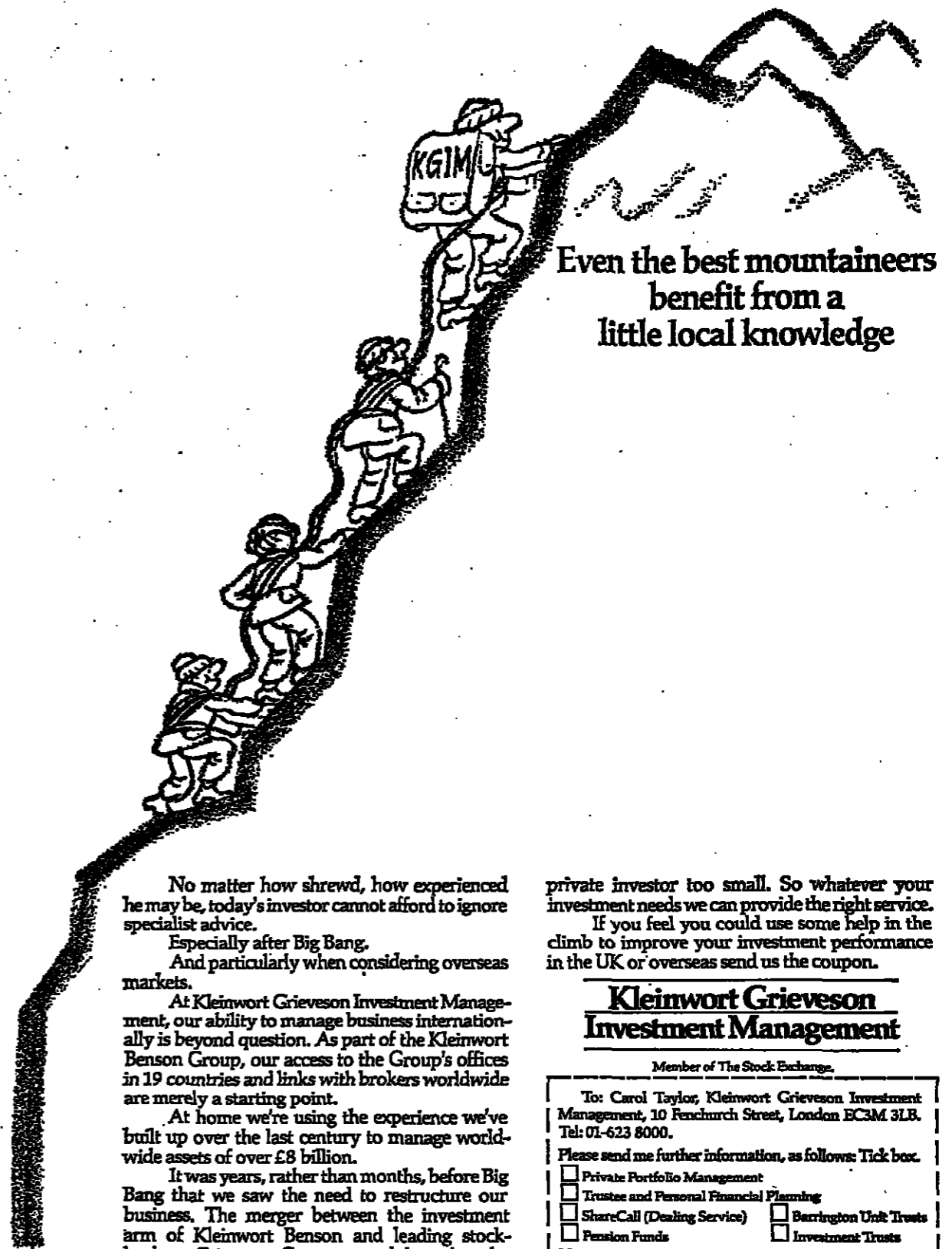
Clive Britton: first piano... then fortissimo?

could be a couple of administrators, and at the end of five years there might be four artists on the payroll—earning between them £200,000, according to the optimistic forecasts. This will hardly solve the country's unemployment problem.

But then this is hardly a typical BES. It is the chance for some musically inclined, top-rate tax payers to do something for young musicians, with an outside chance of getting their money back. The tax advantages

from investing are very attractive: if you invested £10,000, and paid tax at 60 per cent, your net cost would be just £4,000; and after five years you could dispose of your shares although there would seem to be problems in finding buyers. Best to regard the whole venture as a charitable gesture, offering the opportunity to get involved with aspiring musicians, and enjoying the power and privileges of a patron.

Antony Thorncroft



Even the best mountaineers benefit from a little local knowledge

No matter how shrewd, how experienced he may be, today's investor cannot afford to ignore specialist advice.

Especially after Big Bang. And particularly when considering overseas markets.

At Kleinwort Grieveson Investment Management, our ability to manage business internationally is beyond question. As part of the Kleinwort Benson Group, our access to the Group's offices in 19 countries and links with brokers worldwide are merely a starting point.

At home we're using the experience we've built up over the last century to manage worldwide assets of over £8 billion.

It was years, rather than months, before Big Bang that we saw the need to restructure our business. The merger between the investment arm of Kleinwort Benson and leading stockbrokers, Grieveson Grant ensured that when the event came, we weren't just ready for it, we were actually looking forward to it.

No institution is too large for us and no

private investor too small. So whatever your investment needs we can provide the right service. If you feel you could use some help in the climb to improve your investment performance in the UK or overseas send us the coupon.

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IT LOOKS LIKE YOU'LL BE NEEDING CHALLENGER FROM WHITTINGDALE

Investors are becoming increasingly worried that the relatively easy gains made in equity markets worldwide in recent years are over.

We agree. The question is "What will you do with your investments in another Bear market for equities?"

The answer is: decide what type of asset you should be in.

A new approach to investment is needed

In the past, investment was easy - just choose your shares. Your stockbroker could do it for you. A Unit Trust could do it for you.

But they may not have been prepared to recommend investments other than equities or bonds. Or even to go liquid.

If you wanted to go liquid you were forced to make the decision for yourself.

Yet isn't that exactly what you pay an investment manager to do for you? To choose the right investment to suit economic conditions?

The Managers of Challenger will choose the right asset for you

Challenger involves a new type of investment approach from Whittingdale. With no initial charges, it combines the benefits and cost savings of pooled investment vehicles. At the same time it has the ability to switch between asset types, something previously available to only the wealthiest individuals.

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Whittingdale presently manage £1 billion; mainly for institutions, and specialise in the Lloyd's insurance market. The Whittingdale Short Dated Gilt Fund, launched three years ago, is currently the best performer in the Gilt Growth Unit Trust sector over 1, 3 and 6 months and 1, 2 and 3 years.*

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*Source: Money Management

To: Whittingdale Ltd, FREEPOST, London EC2B 2HD. Tel: 01-606 3132. Please send me a free copy of the new booklet "Challenger", which explains how to make the most of my money in a Bear market.

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WHITTINGDALE CHALLENGER

James Buxton looks at Bank of Scotland's home banking scheme

Armchair access to your overdraft

DO YOU ever wish you had easier access to your bank account? Would you like to be able to read off your bank balance on a computer screen? Do you ever find that by the time your monthly statements arrive you have missed an opportunity to switch a healthy temporary surplus from your current account into your deposit account—or have failed to stave off a temporary overdraft because you didn't know what was going on?

All these tasks can be accomplished by telephone calls, exchanges of letters or visits to your bank. But you can now carry them out in your home or office with a keyboard and television screen using a system operated by Bank of Scotland. Bank of Scotland's Home and Office Banking System, known as HOBBS, not only enables you to check the balance in your bank accounts on your television screen, but also to make transfers from one account to another. You can also use it to pay bills such as gas and telephone from your armchair without having to write out a cheque. What you cannot do, of course, is obtain cash and you still need a chequebook for other payments.

Bruce Pattullo, the treasurer and chief executive of Bank of Scotland, the smaller of Scotland's two indigenous clearing banks, has no doubt that in five years almost everyone will bank from home. The

bank introduced HOBBS for personal customers at the beginning of last year and later extended it to business users.

HOBBS has obvious attractions for self-employed businessmen, such as farmers, lawyers, doctors and dentists, as well as for anybody with a fairly active bank account who is keen to improve his or her cash management. It also has distinct advantages for Bank of Scotland which has only a handful of branches in England and is reluctant to build or buy them. A HOBBS customer can live anywhere, and the bank says that 60 per cent of them have no previous connection with the bank.

How does Hobs work? It uses British Telecom's Prestel information system to which you have to be a subscriber. By tapping codes and your personal password into the Prestel keyboard you gain access first to Hobs and then to your own accounts, details of which appear in coloured characters on your television screen. For business users there are different degrees of access to the system, so that, for example, your secretary can check the company's statement but only the boss can authorise a payment.

You can review the last 250 transactions on your account and make transfers which are punched in before 5 pm, are activated that day. The screen will tell you about any items pending which could lower or



raise your balance. Once the bank knows the details of your regular payments, such as the gas or electricity bills, it can transfer the amount you request—and you can give up to 30 days' notice.

I have not personally tested Hobs but from a demonstration I wondered whether the step-by-step procedures by which you find your way into each service the system offers were not somewhat long-winded. Bank of Scotland, however, insists that, like many things to do with computers, you get used to it very quickly.

There are, however, substantial start-up costs. To subscribe to Prestel costs £2.50 a quarter for personal customers, £18 for business users. You need a Prestel terminal, which Bank of Scotland will supply for £85 (and which will give you access

to all Prestel's information and booking facilities). You may have to get a new British Telecom socket fitted, which costs £22.50.

There is also a HOBBS subscription fee of £2.50 a month for personal users and a minimum of £5 for business users. Calls to Prestel are charged at 6p a minute during business hours, though they are free at other times.

Bank of Scotland says you can cover these charges very quickly thanks to the extra interest you will earn by being able to shift any surplus balances speedily into interest-bearing accounts. If you only want HOBBS to check your bank account you will probably be wasting your money.

To make it worthwhile becoming a HOBBS subscriber you would need to transfer your current and deposit accounts to

Bank of Scotland. It may be painful for many people to sever personal links with their bank, particularly if they have a substantial overdraft. But HOBBS need not mean having only an electronic link with Bank of Scotland.

HOBBS customers may either establish a personal relationship with a manager in one of Bank of Scotland's handful of branches in London or the regions or the bank can send John Berry, its roving manager for HOBBS clients, to visit them from its head office in Edinburgh. Berry claims that taking the shuttle to London and driving around the home counties is barely less arduous than his colleagues' journeys from Edinburgh through Scotland.

So far, Bank of Scotland is alone among the clearing banks in offering home banking. It refuses to give any clear indication of how many HOBBS subscribers it has, though it hints that the system is rather more popular with business clients than with personal customers. The other clearing banks, heavily invested in bricks and mortar in their branch structures, have so far held back from introducing home banking, though the Midland is running an experimental system. For the moment Bank of Scotland is in the lead. It remains to be seen whether it has found the best delivery system for the banking habit of the future.



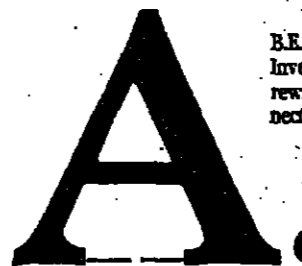
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The 1986 Quester Development Capital Fund is now open and you are invited to complete the coupon below and send for the Offering Memorandum, on the basis of which alone applications will be considered. The minimum subscription is £2,000, the maximum £40,000. The closing date is 15/12/86, or earlier if the Managers feel the optimum size of Fund has been reached.

The Quester Development Capital Fund 1986 is managed by Quester and is a B.E.S. Fund approved by the Inland Revenue under the terms of the Finance Act 1983. Investment in unquoted companies carries higher risks as well as the possibility of higher rewards, and the existence of these risks is one of the reasons Tax relief is granted in connection with investment in the Fund.



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To: Quester Capital Management Limited, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9EP. Telephone: 01-222 5472. Please send me a copy of the 1986 Fund Offering Memorandum.

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Pensions

Dunbar expands

ALLIED DUNBAR, Britain's largest linked life company, is expanding its operations with a move into the company pensions sector. Up to now its successful operation has been related to self-employed and executive pensions.

But unlike many of its previous promotions, its entry into this most specialised field will be low key for good reasons. The company pensions market is tied up by the pensions consultants and established employers without a pension scheme for their employees are not likely to start one before April 1988, when the new pensions framework comes into being assuming Mrs Thatcher's Government is re-elected.

So Allied Dunbar is aiming its entry into company pensions at the small employer, with its main marketing efforts on those employers who have executive pension arrangements with the company. Nevertheless, this is still a vast market largely untouched by the pension consultants Jerry Grayburn, pensions

marketing director, points out that there are over 400,000 businesses with fewer than 10 employees of which only 7 per cent run a scheme and a further 185,000 businesses employing between 10 and 100 employees of which only a third offer a pension.

The name of its product, the Group Executive Retirement Plan, explains the company's approach. It is an extension of its executive pension plan operating on an individual basis to enable employers to provide pensions on top of those provided by the State Earnings-Related Pension Scheme. The company is providing a ready reckoner to enable employees to get some idea of how inadequate Serps are for the higher paid employees.

It operates on the money purchase principle with the accumulated contributions paid into the scheme used to buy a pension at retirement. It has maximum flexibility over contributions payments, investment of the funds and style of benefits.

has tried to overcome this apathy by providing a simple guide—Pensions in 1986 and Beyond—based on the queries it is already getting.

The guide describes the enticements in the State Earnings-Related Pension Scheme (Serps), the new-style personal pensions and how they will operate, and the choices for employers in providing pensions.

The guide, in booklet form, makes no attempt to answer individual requirements. It simply sets out the background against which individuals must decide. Copies (free of charge) can be obtained from Allied Dunbar Assurance, Allied Dunbar Centre, Swindon SN1 1EL (attention Sheila Bennett).

Eric Short

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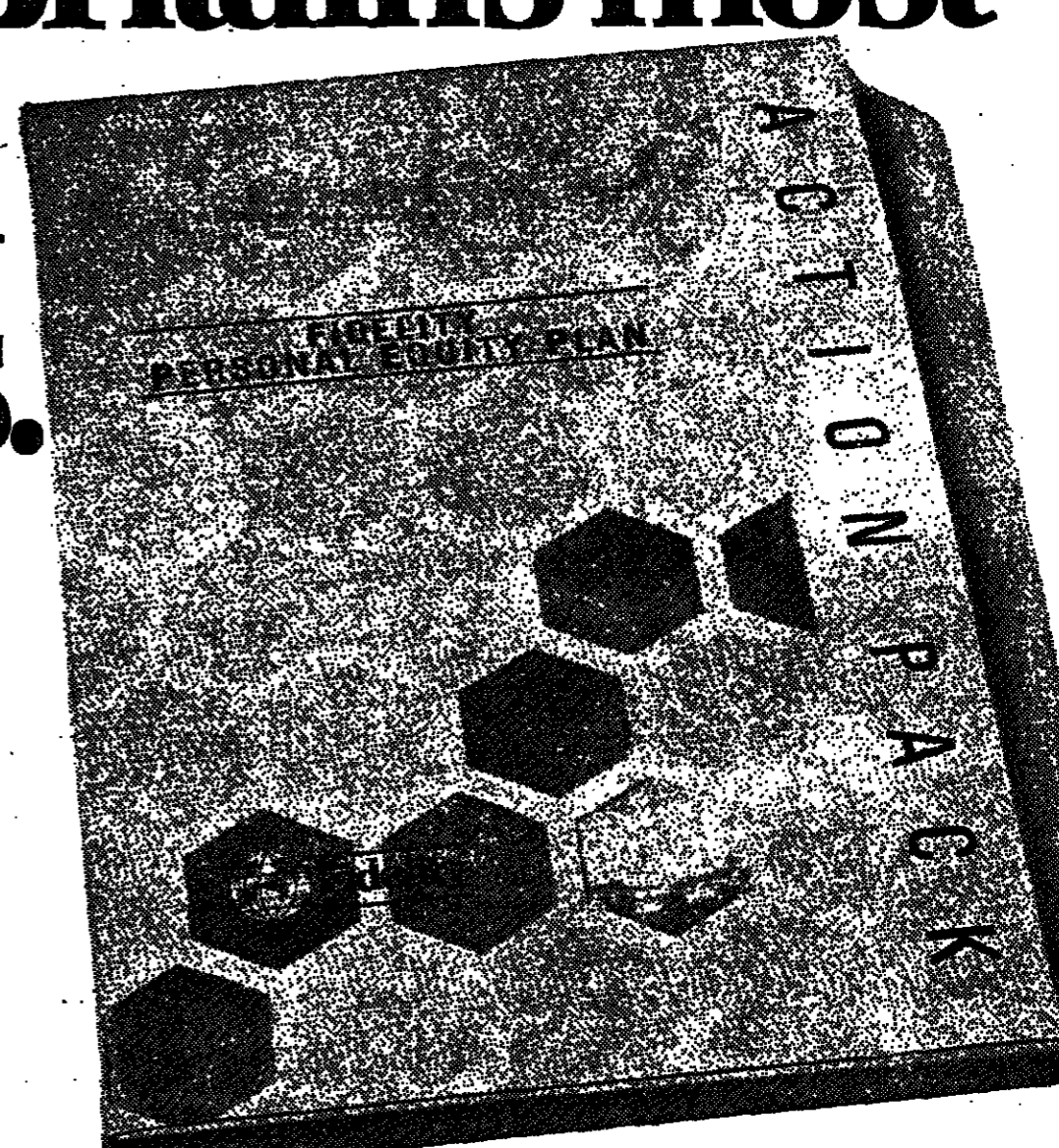
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FINANCE & THE FAMILY

Modest small fry

I am a retired man of 67, and my wife is 65. Neither of us is at work of any kind.

A local post office, for example, The composite-rate scheme makes building societies and banks unattractive to people like you—and the CRT penalty is likely to be significantly higher after April 5 1988.

Innocence accrued

I do however have a liability for capital gains tax for last year of about £2,000 due to having sold a number of lock-up garages. We had to press the tax office to send me a form to return income for 1985, but this has been done.

If the total nominal amount of your holdings of securities covered by the accrued-income scheme never exceeds £5,000, and did not exceed that figure in the previous tax year either, then the accrued interest is treated as merely part of the purchase price.

accrued-income scheme covers many pages of the 1985 and 1986 Finance Acts. It is difficult now for any but the smallest investor in securities to fill in his or her tax return correctly, without professional help.

Inheritance for sale

My two sisters (aged 64 and 69) and myself (58) will eventually share equally in a house left to our mother (deceased in 1958) and thence to us.



Can I prove the copy will without reference to my brother, with whom I do not wish to renew contact and how should I proceed?

Covenants in leases

Please let me know if Covenants in leases dating 1962 when nine flats and nine garages were built in 1962 are still valid and binding on owners of leaseholders flats?

Original will lost

My sister has died and I find that she signed a will (dated 1964) in the presence of solicitors who have retained a copy, the original having been handed to my sister for retention.

we leave everything to each other and then to our two married daughters. I am 68, my wife is 61.

Limit on arrears

The ground rent and maintenance dues on a leasehold property I have on leasehold fall due twice yearly. I wait until the freeholder's agent requests payment and then settle the accounts.

No more CTT

My wife and I have the following assets: House, value about £50,000; Stocks and shares about £60,000; Building Society deposit about £22,000.

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CHESS

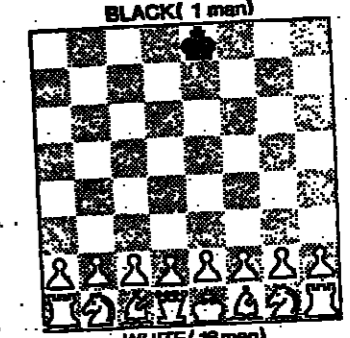
"WHEN I lost the world championship, the Soviet Federation presented me with the bill. A special commission said I lost the match (to Bobby Fischer) because I didn't respect Soviet training methods, and I was punished by not being allowed to play abroad."

Occasionally, he spends two or three hours a day looking at openings and doing special study, but is scornful of Kasparov, Karpov and Korchnoi for their use of back-up teams.

Despite his disclaimers, Spassky was always among the leaders at the US Open and tied for second prize with an unbeaten 9/12, half a point behind Larry Christiansen.

Old Indian Defence (US Open 1986) 1 P-Q4 N-KB3; 2 N-KB3, P-Q3; 3 N-B3, B-B4; 4 N-KR4, B-Q2; Here, B-N3 is better.

PROBLEM No. 645 An action replay is called-for on this diagram, originally problem 640. The puzzle was to find White's minimum number of moves to force mate, and the answer was seven: 1 P-K5, 2 Q-R5 and 3 Q-Q5.



identical, while there are just two possible third moves depending on where the black king goes.

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London Property

REGENCY'S PARK, LONDON NW1

Advertisement for Regency's Park, London NW1. Features a large house and a smaller house. Text: 'Magnificent luxury period homes'. '6-15 PRINCE ALBERT ROAD'. 'A magnificent development of ten John Nash houses...'. 'SOLE SELLING AGENTS LASSMANS 01-409 2020'.

Flood Street SW3

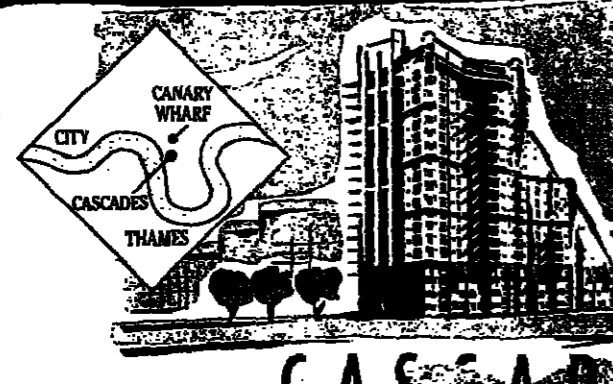
An important development of 10 freehold town houses situated close to the river and in the heart of Chelsea providing houses of outstanding quality and architectural design.

Typical Accommodation: Drawing room, dining room, sitting room with balcony, kitchen/breakfast room, 3/6 bedrooms... Prices: £675,000 and £715,000.



Callander Wright

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WHEN Channel Islanders start to cash in their homes to begin a second stage of their retirement on the Isle of Man, it is time to look closely at the disparity in property prices between the UK's offshore centres. As Terry Groves of Ramsey-based agents Cowley Groves & Company reports: "Quite a number of people seem to be doing that. In the last three or four weeks we have had six people buying here from the Channel Islands. Naturally, you ask why, and it is because they cannot buy a smaller house on the open market in Guernsey, or that they feel cramped where they are and want somewhere they can get the car out of second gear."

John Brennan discovers the renewed appeal of living offshore

Prices tempt migrants to Manx haven

There are a number of regular commuters to the mainland, and they like to stay within eight to 10 miles of the airport, says Keruish. It is also first choice for many executives with families because the island's main public schools are in the south as well. Otherwise, whether buyers look north, south, or due west of Douglas, there is a roughly similar range of properties and prices. In the central valley, for example, Keruish says that a four-bedroom family house with two bathrooms and a fair-sized garden would cost from £200,000 up into the mid-£100,000 range.



the bargain it appeared a few years ago. But as the island's average farm size is only around 120 acres, it is quite possible to buy a working farm and sizeable house for the price of a central London flat. Even at just an hour and a half's flight time from London Heathrow, the Isle of Man has never had much of a second home market, so country cottages in reasonable condition sell for £20,000 to £30,000. But Groves warns about people buying derelict cottages with wonderful views who expect to be able to rebuild. Planning controls are tight, and planners can decide that the site has "scenic significance," and reject any idea of restoration. Only 10 per cent of the island is built upon, and the planners intend to keep the 65,000 population from sprawling. Never the less, local builders are active again.

Debate rages after Prince Charles's attack on urban neglect

Making sense of our cities

London. Not blind then, nor indifferent to the plight of inner cities, but necessarily caught up in those "short-sighted economic arguments." On that basis, the Prince was criticising the wrong audience when he aimed at the housebuilders. What then of those real engines of change, the housing financiers? He'll have been cheered by the response there.

Current capital adequacy arguments permitting, apart from its direct mortgage funding of new inner city housing and refurbishments, the Halifax is pushing ahead with a programme to develop 3,000 homes a year by the end of the 1990s, many of these in areas where traditional housebuilders fear to tread. The society has also pioneered index-linked funding which, alongside public sector finance for housing associations, makes commercial sense of building homes for rent.

Country Property

DENTON CLARK & CO. Chartered Surveyors, Auctioneers and Estate Agents. 4 Vicar's Lane, Chester, CH1 1QU. Tel: (0244) 312771. THE FLAXYARD TARPORLEY, CHESHIRE. The Property of A. J. Lilley Esq., and representing probably the most important Dairy Farm Sale of 1986/87.

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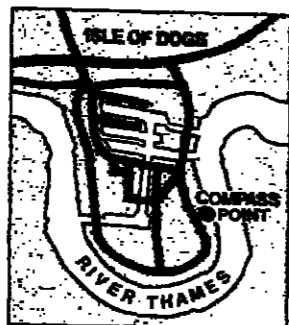
SUFFOLK "Aristo" from its all-just accessible, landscaped setting close to the sea, the house is a superb example of the early 20th century. Fully equipped accommodation, superb garden, pool, tennis court, library, billiard room, study, 4 bedrooms, 2 bathrooms, play room, 2 cars, garage, driveway, heated swimming pool.

London Property

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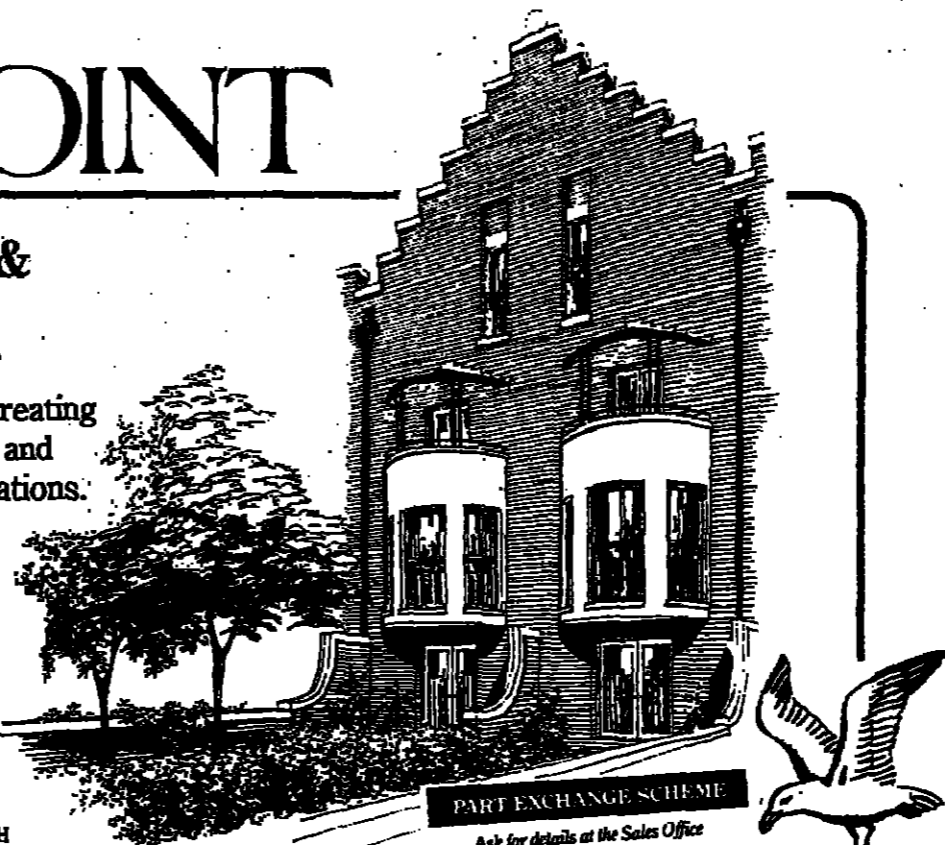
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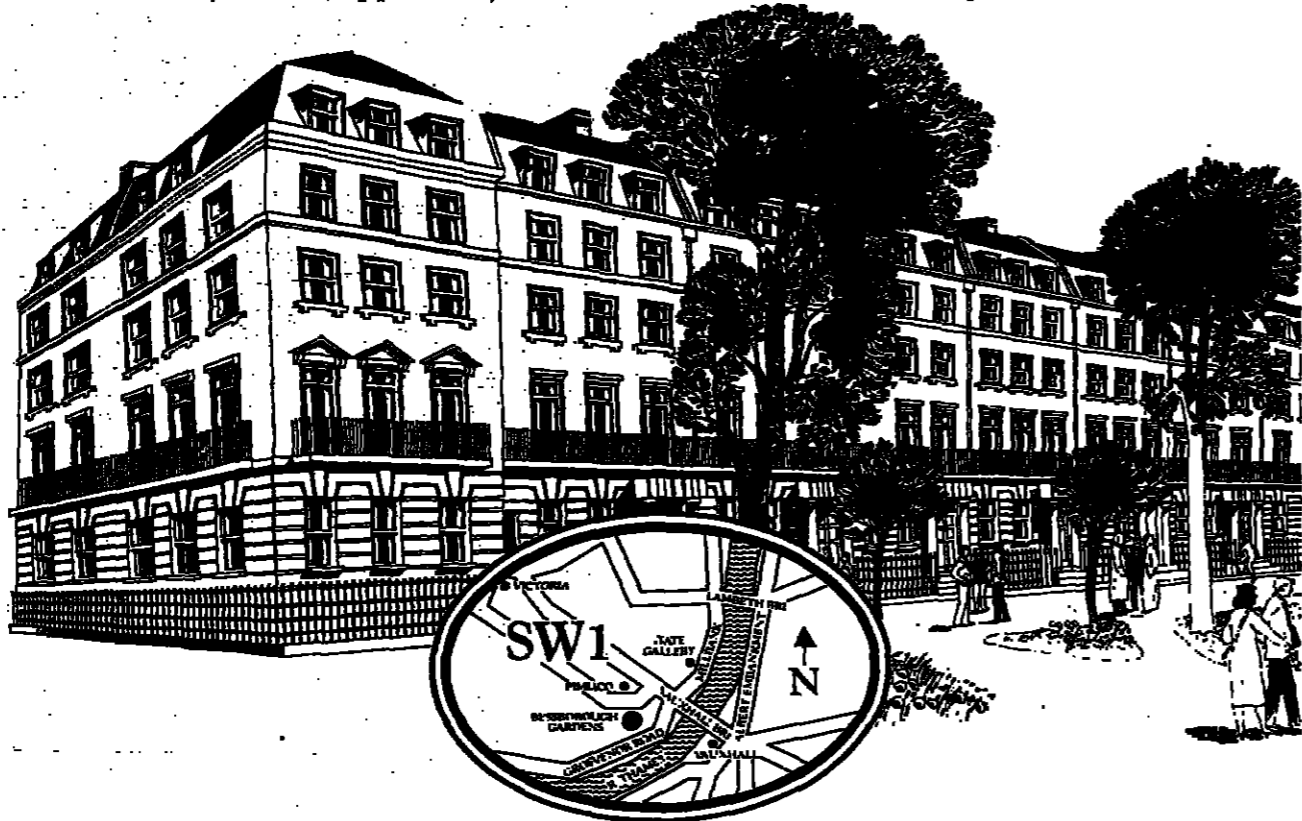
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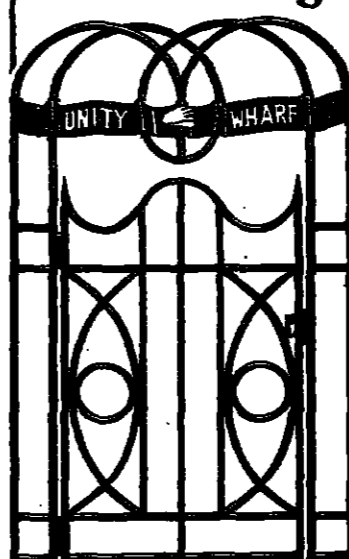
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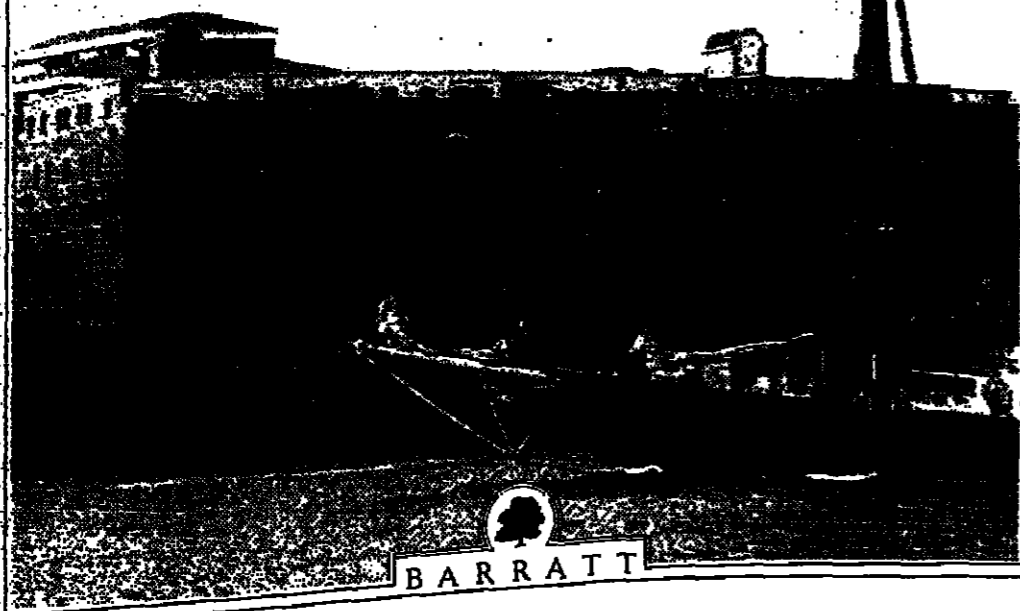
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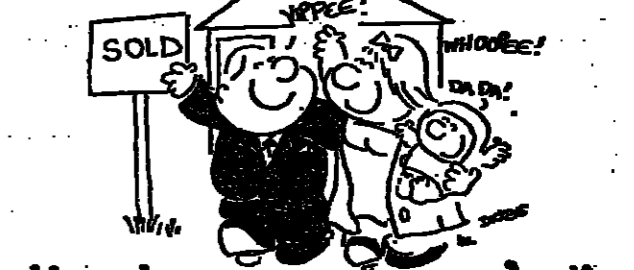
NECESSITY may be the mother of invention, but it's competition, or the threat of it, that gives birth to price cuts.

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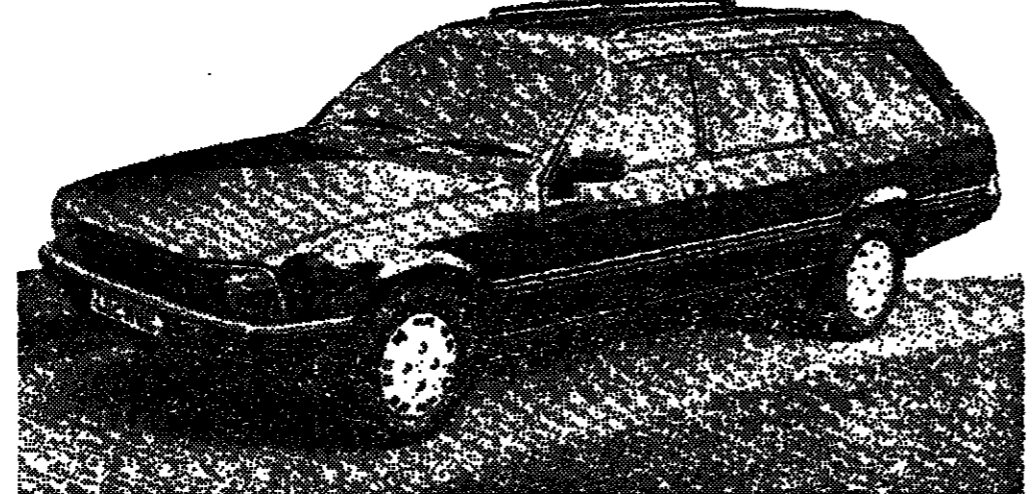
Saintly help to the rescue

MODERN CARS, properly maintained, are remarkably reliable but when they do break down, it often seems to happen at the worst time.

away. Now there are at least six others, each organisation ready to provide broadly similar standards of service.

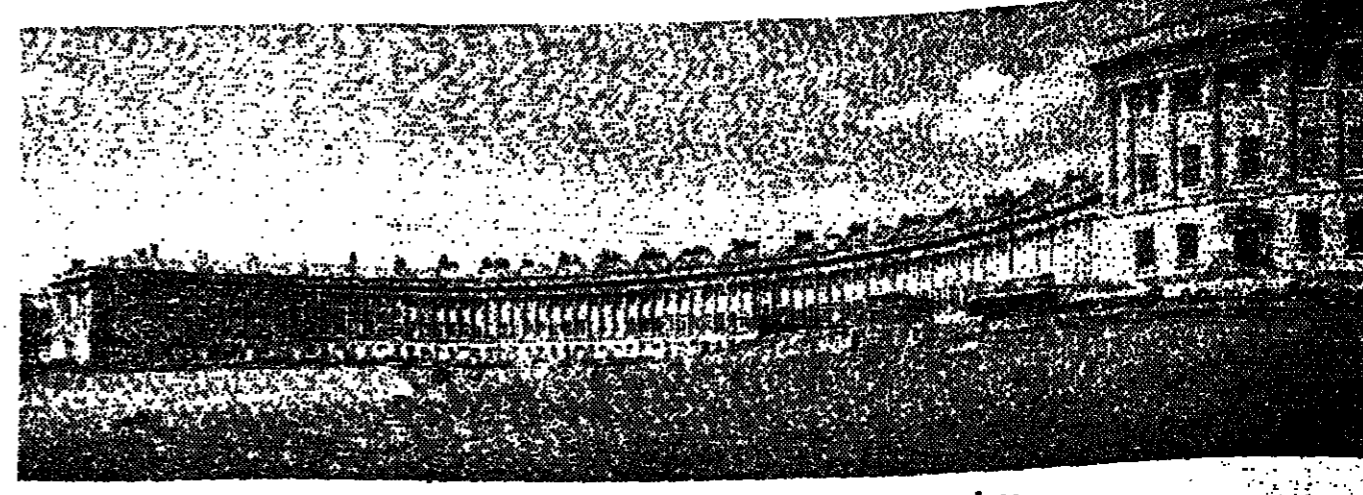
with Mondial Assistance to offer their Total Mobility plan on both sides of the Channel.

than twice as much as GEM's £19.95. What GEM does not have, though, is a national service network as operated by the motoring organisations.



Family comfort: the Peugeot 505 roof clearance is 2 ft 9 ins and the loading height is 2 ft. So that really big and heavy things may be manhandled aboard without difficulty.

DO THE French have more children than any other nation? I should not have thought so—but why are the only two off-the-peg estate cars with three rows of forward seats the familiar versions of the Citroen CX and Peugeot 505?



Royal Crescent: Bath's Georgian masterpiece

Who could tire of Bath?

JANE AUSTEN is said to have fainted in horror when she heard that her family was to move there. Queen Victoria, at the age of 11, was so little amused by remarks made there about the comeliness of her ankles that she vowed never to return.

its roots go back so far that the history of Bath is said to be the history of England writ small. Its thermal springs, with a constant temperature of 44.5 degrees centigrade and an iron content so high that it stains rock burgundy red, were worshipped by the Celts and later used by the Romans in an elaborate health club complex of saunas, Turkish baths and swimming pools.

Bath, the American Museum in Claverton Manor is also worth a visit. Some exhibits may seem a little arcane — patchwork quilts, a covered wagon, a replica of an Indian teepee, Shaker furniture and a Madras scarf thought to have been worn by a freed slave when she sat for a portrait (also exhibited). But the majestic manor house with views over the Cotswold hills, formal gardens and teas served with home-baked American cookies on the terrace is worth the admission fee.

Allen was also a patron of the arts. He gave Henry Fielding and his sister a house in nearby Widdowme and Alexander Pope was a frequent guest at Prior Park. Even that scabrous poet found something complimentary to say about his host: "Let humble Allen, with an awkward shame, Do Good by stealth and blush to find it fame." Allen was also the model for the benevolent Squire Allworthy in Fielding's Tom Jones.

WEEKEND FT BREAKS

Flanked by columns reflected in the waters, the baths are sunk in the shadow of the handsome abbey. Bath Abbey, built by the Saxons, was the place of coronation for Edgar, King of England, in 973 AD.

Under Allen patronage the architect John Wood designed a new Roman city, using the lustrous limestone in crevasses, terraces and squares which echoed the classical principles of nobility and harmony.

At Claverton, just outside Bath, the American Museum in Claverton Manor is also worth a visit. Some exhibits may seem a little arcane — patchwork quilts, a covered wagon, a replica of an Indian teepee, Shaker furniture and a Madras scarf thought to have been worn by a freed slave when she sat for a portrait (also exhibited).

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Motor Cars

Advertisement for Wincanton Venture Contracts, featuring images of cars and text: 'MORE THAN YOU BARGAINED FOR' and 'LESS THAN YOU THOUGHT'.

Holidays and Travel

Advertisement for IVYSIDE Hotel, featuring text: 'ALL-weather 40-Room, 120-Bed Hotel' and 'Lower Ground Floor'.

Art Galleries

Advertisement for ART GALLERIES, listing various galleries and their locations: 'COLLAGE 14, Old Bond St. W1. 01-497 7400'.

Practical, luxurious and yours

Advertisement for The Financial Times City Collection, featuring images of leather goods and text: 'The Financial Times City Collection is, quite simply the finest set of leather accessories and luggage that money can buy'.

'Self-indulgence does you good'

A WOMAN wanting to go on holiday alone has to confront a problem which can best be described as the hassle factor. This is the choice between isolation and unwelcome attention, between staying solitarily in one's room in a conventional hotel or going sociably to the bar in the evening and having one's intentions, shall we say, misinterpreted.

The hassle factor can be avoided by going away in a group or on a special interest holiday and learning to weave or spin or play tennis obsessively. But it is more difficult if you simply want to go away and stay in a good hotel, enjoy its comforts, and relax.

Ragdale Hall—a redbrick Victorian mansion on a hill in Ragdale, Leicestershire—which is turreted, crenellated, castellated and has the sort of architecture that looks as if it was designed for the incarceration of an insane heir.

is a place where, as one gentleman guest happily put it, "I know I can ask for a body massage and get just that." Eccentricity is tolerated, but not unseemliness; guests may insist on altering the flower arrangements on the bar and in the reception area but may not adopt an attitude of swaggering masculine bonhomie and goggling proposition to the leotarded ladies.

BRIDGE

MUCH HAS been written on normal squeeze technique, but the strip-squeeze has not had the same coverage. In his new book, Strip-squeezes (Collins £2.95), Hugh Kelsey has set out to explore this somewhat uncharted country. The distinctive feature of the strip-squeeze, he says, is that a trick is always given up after the squeeze has taken effect.

When West led the king of hearts, the declarer could count 11 top tricks — and saw that only a red suit squeeze against West could provide the 12th. A trick had to be conceded to ready the count, and it seemed normal to duck the first trick. But South saw that a diamond switch would destroy the squeeze, so he had to take his ace of hearts. He ran five clubs, throwing diamonds from the table, and followed with three spades. In the four-card ending West held queen, knave of hearts and king, queen of diamonds, dummy held ten, six of hearts and ace, ten of diamonds; while South held knave, two of diamonds, king of spades, and the two of hearts.

When the last spade was played West was tramped. If he threw a heart, dummy would throw the ten of diamonds, and dummy would be good; if he threw a diamond, dummy would cash two diamonds, and concede a heart.

dislodge the ace. The declarer took stock. He had eight top tricks, and the safest line was to develop clubs without letting East into the lead. He crossed to the diamond queen, and led the two of clubs.

DIVERSIONS

When swords blunt pens

THE PEN may be mightier than the sword, but not in the short term. The latest broadsheet of the English Centre of International PEN lists nearly 400 writers who are known to be in prison, are under house arrest, have been sent into internal exile, or have simply disappeared.



Maina Wa Kinyatti, serving six years in prison

William St Clair on nearly 400 writers known to be in jail, under house arrest, sent into exile or who have disappeared

A group have almost no political or economic power, but they are able to mobilise publicity, and even the most intransigent governments dislike embarrassment.

With autumn passing, Robin Lane Fox muses on seasonal shrubbery So much to learn about colour

I HAD been planning to discuss a topical task this week, something like lifting and storing dahlias. I had set aside an afternoon to do the job first, but it was so sunny that I went walking instead and realised that there was a more topical subject also in its final throes.



Tulip tree: "nothing better"

It is pruned very hard and grown as a shrub, its plumes of flowers are otherwise rather preposterous.

Blanc Double de Coubert is a superb garden plant, but it also turns a bright yellow and holds its leaves as a postscript to its season of white flowers.

The worth of earth



It is easy to slip into the belief that, by doing this, everything has been done to ensure the fertility of the soil and the success of any plants grown in it.

ence whether these ions come from the breakdown of an inorganic salt or the decomposition of organic matter. The difference is to the soil, and this might indeed be harmful if unsuitable or excessive chemicals are used.

CZECH & SPEAKE OF JERMYN STREET MAKERS OF FINE AROMATIC WHISKIES AND SCOTCH WHISKY BATHROOM FITTINGS

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Bulgarian Cabernet at \$1.99 Mr Johnstone? That's a lot of money in Sofia Mr Clarke.

Making merry on muscadet

EVER FOR vin nouveau addicts it might seem a little early to be drinking the latest muscadet vintage in October, but in Nantes they have been gulping down the 1986 for some weeks now.

CLIFTON NURSERIES invite you to hear ROBIN LANE FOX talking about his book and launching his Plant Collection

Wines Wines of Westhorne - for more wine value BULGARIA

Elsewhere, I tasted wine back to the 1964 vintage: a curiosity that had a distinct sherry nose and flavour, but was quite drinkable.

• DIVERSIONS •

Saleroom

Auctioneers branch out

THE POPULAR image of Sotheby's is of a well groomed auctioneer selling million pound Impressionist paintings to a glamorous audience of Dynasty lookalikes under the glare of the television cameras; in other words not the place for the likes of you and me.

It is an image that Sotheby's has done little to dent. Its publicity machines concentrate on the expensive items it has sold and this is undoubtedly where its profits lie — taking 10 per cent extra from the buyer of a £1m painting, plus, in theory, another 10 per cent from the seller, for less than a minute's work on the rostrum is a much easier way of making a living than selling off second-rate furniture at £200 or so a lot, the fate of most auctioneers.

In the old days, Sotheby's would usher prospective sellers with expensive antiques to Bonhams. Then when rival Christie's set up a successful outlet for the run-of-the-mill or quaint collectibles at South Kensington, it played with the idea of "fast sales" at its back entrance in Conduit Street. But it never seemed happy with low priced goods.

That is changing. Perhaps the fact that Christie's, South Kensington, has a profitable £30m a year turnover has precipitated the change of heart. Sotheby's now has two provincial salerooms — at Billingshurst in Sussex and in Chester — which are happy to handle works of art valued at £200 or so. It has also moved some small departments from London to Billingshurst — sporting guns, which are more at home in the country, and fans. The "fast sales" have disappeared, to be replaced in Conduit Street by a once a month dispersal of what are basically furnishings for yuppies, offered to view in room settings. So while London has gone steadily up market, Sotheby's sells a range of goods out-of-town.

But a much more significant drive is now underway for the average man's chattels. Sotheby's representatives at its offices throughout the country are inviting the more prosperous of the local solicitors and heads of bank trustee departments, to join them for a drink, at which they will be introduced to a new publication

and service being offered by the saleroom.

Brightly produced, in contrast to its subject matter, it is a guide to the probate services for executors and their professional advisers. At one level it is intended to scare the pants of executors with the awful consequences of not acting according to the letter of the law; at another it tells how Sotheby's can take the whole hassle off their hands when it comes to the valuation of goods in a deceased estate. In effect, Sotheby's is offering to send its valuation experts anywhere in the country to give an estate a quick look over, searching out any unconsidered trifles that might fetch a pretty penny.

Of course Sotheby's still does not want to handle the cheap stuff, even though it now trumpets the fact that two-thirds of the items it sells at its auctions go for £500 or less. The real rubbish will be destined for a local auctioneer recommended by Sotheby's. But it is actively looking for estates, and offers a free evaluation, including a probate valuation, which should satisfy the Inland Revenue.

What excites Sotheby's most about its new service is that all the objects it undertakes to sell at auction are processed through a computer so that executors can be supplied with up-to-date information about the state of the valuables, whether the items have been sold yet or not, the price they achieved against their estimate, and when the cheques have been despatched to the solicitors. In the past, executors could get into an awful state of not knowing what was happening to important antiques passing through the disposal process.

Obviously Sotheby's hopes to get more business. In particular, it wants to hit on some unappreciated treasures gathering dust. Its main concern will still be to be allocated collections of Impressionist masterpieces, even if competition with Christie's means that the vendors often pay 5 per cent, or even less, in commission, but as these get rarer the bread and butter trade in antiques has an appeal it lacked five years ago.

Antony Thorncroft

MUSEUMS and galleries need friends; government and company friends, and company friends — and Friends (some of whom may be companies). Friends are the supporters' clubs. They raise money so that the museums can buy the works they need. They are mostly run by volunteers. And they offer perks, and an involvement and pride.

Friends combine supporters of places where the public pays, or which have paying exhibitions, and of those whose entry is free. The standard offering is free and immediate entry when there is a charge, private previews, parties (almost all I spoke to emphasised their Christmas party), lectures, and day trips — to houses, collections and exhibitions in London and outside. The museum shop may give a discount on books, catalogues and gifts. That is something regular in the United States, where Friends (known as members) and shops are a vital part of the museum world.

There may be longer tours. The British Museum Society this year has managed Yemen, Algeria, the Etruscans and Glasgow. The Friends of the Tate Gallery have been everywhere from China to St. Yves, with no less than four visits to the new Lyons building. All

Friends warn that their lists for activities fill quickly. And there will be an annual report or bulletin, with articles and information that will appeal to readers of the arts and weekend pages of the FT.

Money raised usually buys works of art that the museum could not afford otherwise. Purchasing is essential for museums if they are to continue to be alive. And official grants are not nearly enough. Top of the league must be the Tate Friends who have now shipped £1m (since 1958). The Friends of the Ashmolean managed £14,000 last year. The British Museum Society pays for works of art, equipment and research, including, recently, the salary of a Czech-speaker to work on the catalogue of the current exhibition of Czech prints.

There are now enough Friends to form the British Association of Friends of Museums (68, The Downs, Altrincham, Cheshire WA14 2QL). Below are more notes on Friends in London, Cam-

Everyone needs Friends



bridge and Oxford. (If you want other sorts of Friends, look in the London telephone directory. They run from Bar-Ilan University to the Western Buddhist Order, via hospitals, Israeli institutions, Poland and the sick. The Friends of Friendless Churches are not listed, alas).

The British Museum Society (£10 a year, plus £2 for extra members at the same address) has a lively bulletin and lecture programme, and a comfortable members' room to collapse in, called after the late Lady Estwell — a pillar of the

society — but originally named for Sir Hans Sloane of Chelsea, whose collections were a basis of the BM. Last year the society voted not to change its name to Friends of the British Museum.

The Friends of the Royal Academy (£22.50, card interchangeable for husband or wife and allows a guest) are especially useful for getting into Academy exhibitions at once, or often for a short time. The members' room has, I am told, good-value coffee and "a convenient loo, so that you don't have to cross the road

to Fortnum's." Money goes to helping maintain the Academy.

The Friends of the Tate Gallery (£15, including postage) was the first supporters' club for a national art gallery — and desperately needed in 1958. The Government grant in 1959 was £40,000. Now it is just under £2m. But the Friends are still needed, as prices of works of art have risen still more than the grant. Most money goes for the British and modern collections. Tate Friends are closest to the American pattern, with elaborately varied membership classes and privileges. An attractive perk is admission on Sunday mornings (not in August and September) when the gallery is closed to the public. There is a members' room. The Friends of the V&A (£15, allowing a guest) give free entry — needed nowadays — to the museum and to Apsley House, Ham House, Osterley Park House and the Bethnal Green Museum; and free use of the (great) library, slide library and print room. Benefits include a tour "Behind the Scenes at the Photographic

Collection" (2-4.30, November 19, £3 a head, including tea). The Friends of the Fitzwilliam Museum (£7.50; £12 for two) is the oldest supporters' club, founded in 1909. When the programme of events began in the late 1960s, membership rose. All contributions go to buying for the museum. Administration is paid for by fundraisers and selling fine printing, produced on two Victorian hand-presses owned by the Friends. Half the mailings are delivered by volunteers. Concerts raise money to conserve music manuscripts. There are children's events. The Friends of the Ashmolean (£5; £8 for a couple) have the edge on Cambridge in a student membership for £1 (as against £3.50 for the young) and over 2,000 members (as against 1,800). But their activities are similar and all the more valuable as these two great museums belong to universities which now, with Government cuts, do not have enough even for teaching and research.

Any of all these Friends are a pleasurable and easy Christmas present. If you give now, the recipient may make those parties. For memberships, inquire from the museums.

Gerald Cadogan

Cookery

Catch up on fish

A DECADE or so ago when MacFisheries closed its doors in the High Street, it seemed that the last chance for many of us to buy wet fish had gone. But, gradually, entrepreneurs stepped into the breach and a skeletal fishmongery service returned. Little vans creeping inland from the coast in the dead of night set up stall in many a grateful market town once or possibly twice a week. If you got to know the operator you might even ring in advance to discuss the possibility of say, live crab tomorrow.

Now supermarkets are waking up to the small but growing British appetite for fish.

The greatest thrill of all for me has been to discover that here in the English countryside I can buy from my local Waitrose fresh fish which brings back the sharpest and most delicious memories of Mediterranean meals—fish like sardines and tuna which hitherto have been available only in cans.

TUNA WITH MINT (serves 6)

A good dish for this time of year—colourful, rich and filling, and making admirable use of the last of summer mint and red peppers. It is best served with no accompaniment other than good bread.

6 slices fresh tuna, each weighing about 6 oz and about 1 inch thick; 2 small onions; 3-4 garlic cloves; 1½ lb

or so potatoes; 2 large red peppers; 1 x 1 lb 12 oz can of plum tomatoes; ½ pt white wine or very dry cider; a bunch of fresh mint; fruitfully olive oil; salt and pepper.

Since the onions vary thinly, seed and cut the red peppers into chunks. Chop the garlic finely. Peel the potatoes and cut them into 1-inch cubes (no larger). Mix a tablespoon or two of very well seasoned flour. Heat the oven to 400 F (200 C) gas mark 6 if you want to cook the dish in the oven rather than on top of the stove.

Warm 3-4 tablespoons olive oil in a large sauté pan, paella pan or similar. Add the onions and let them soften gently for about five minutes. Add the potatoes, the chopped garlic and the wine, in that order, leaving a few seconds between each addition. Bring the mixture to a fierce bubble then simmer fast for 3-4 minutes so the alcohol is driven off and the liquid reduces slightly.

Stir in the canned tomatoes and their juices plus a good

pinch of sugar and a very generous seasoning of salt and pepper. Bring back to a fast simmer, stirring all the while. Switch off the heat, cover the pan and leave it where it is.

Place a frying pan over moderate heat. When it is hot, add a tablespoon or so of olive oil. Quickly dust the tuna with seasoned flour and cook it, a slice or two at a time, in the hot oil until browned and sealed all over.

Transfer the prepared tuna to a flameproof casserole or baking dish which is just large enough to hold the fish slices snugly in a single layer. Pour the potato and tomato mixture over the fish and, in so far as is possible, push the potatoes down into the gaps between the slices of fish.

Reheat the frying pan and add a drop more olive oil to it if necessary. Stir-fry the red peppers in the hot oil for just one minute. Scatter them over the fish and bury three or four large sprigs of mint here and there. Lay a sheet of grease-

proof paper directly on top of the ingredients and cover with a well-fitting lid.

Bring the dish back to a fast simmer. Then continue simmering more gently on top of the stove until potatoes and fish are cooked through and tender. Or transfer the simmering dish to the preheated oven to complete cooking. It will probably need 20 minutes or so if cooked on top of the stove, or 30 minutes or so if cooked in the oven.

Just before serving, test with a skewer to check that the potatoes are fully tender, and discard the sprigs of mint. Add more salt and pepper to taste and stir in at least six tablespoons fresh chopped mint for extra aroma.

SARDINES WITH GINGER AND MINT (serves 4)

The best way to serve sardines is very simply. Here they are grilled until the skin is crackly with gold-and-black blis-



proof paper, roll the flavoured butter into a sausage shape. Wrap it over-wrap with foil and chill in the fridge for at least one hour.

Scale and gut the fish if the fishmonger has not done so already, but leave heads and tails on. Run a blunt knife from tail to head of each fish to remove scales. Make a slit along the belly and remove innards with your fingers.

Put a mint leaf or two inside each little fish and brush the skins all over with the oil. Make two small diagonal slashes on each side of each fish and grind some pepper over them.

When ready to cook, lay the fish side by side on grid in a grill pan and squeeze the juice of at least half a lemon over them. Grill until the flesh is cooked through and the skin is nicely brownish — 4 minutes on each side should be plenty. Turn the fish over, and baste them with the pan juices at half time. If the fish have had their backbones removed, move them carefully or the flesh may break up.

Gently transfer the cooked fish to very hot plates. Top each sardine with thin slices of the chilled butter. Pour on the pan juices, add wedges of lemon and serve without delay.

Philippa Davenport

clean stylish fleshy elegant
tangy nose grapey green
fat crisp rounded
woody flinty mellow
peppery oaky
aromatic acidity

Yeasty Nutty
Ship Smooth Vigorous
Aromatic
Vigorous Flowery Aromatic
Zesty Fresh Biscuity Honeyed
Individual Long Sound Easy
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fruity full-bodied
hard Big Soft Matur
Lively Hefty Tannin
Balanced Plummy
Spicy Ripe scented
Earthy Fragrant
Characterful

This Sunday, Robert Joseph starts his exclusive six-part wine course in the Telegraph Sunday Magazine.

The course is entitled 'Master Your Wines', and is designed to de-mystify the whole subject, encouraging you to train your own palate to recognise those qualities that you personally appreciate in a glass of wine.

There are wine vouchers, worth £7.50 over the first five weeks, redeemable at Oddbins, Thresher and Victoria Wine to help defray the cost of your practical studies, and in week six you'll be invited to qualify for the Sunday Telegraph Wine Diploma.

The 'star graduate' of the course wins an all-expenses-paid trip to Bordeaux, touring the great cellars.

The course begins this Sunday.

Enrol at your newsagents.

TELEGRAPH SUNDAY MAGAZINE

ARTS

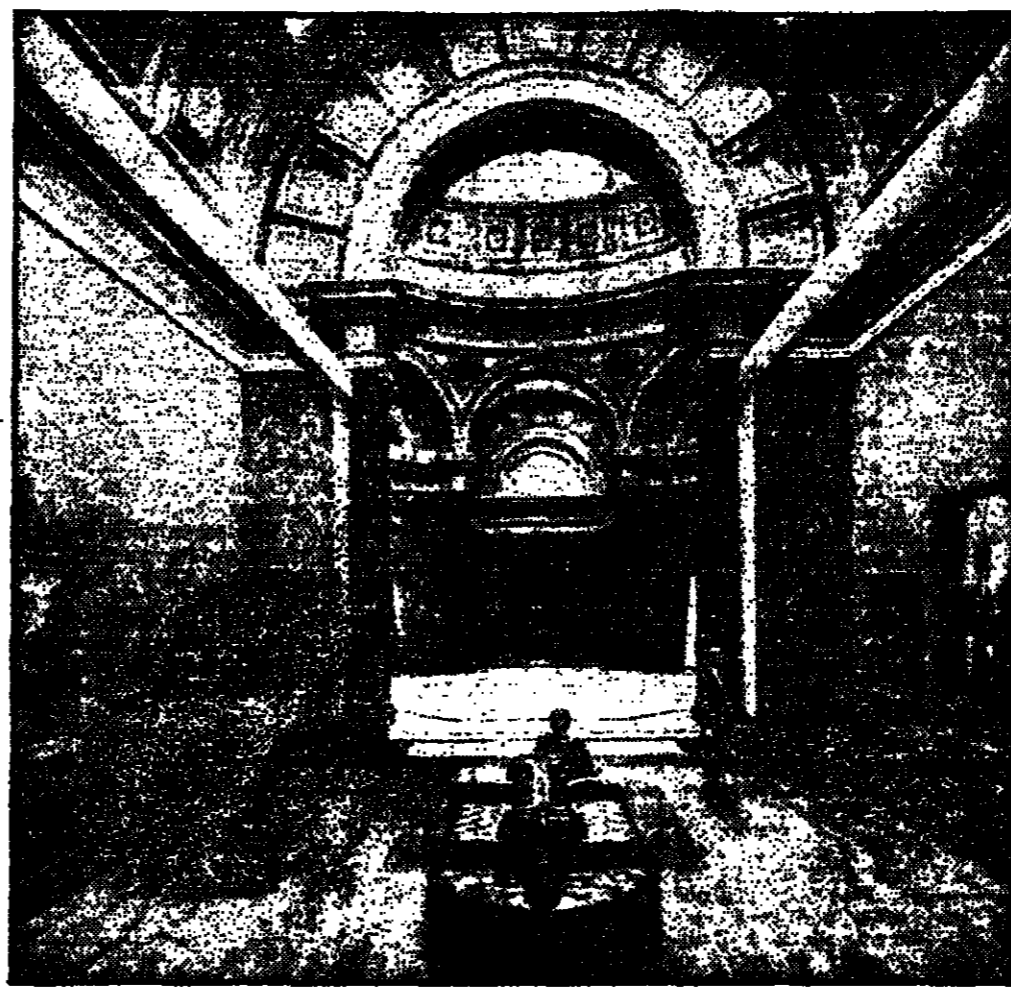
Colin Amery and William Packer visit the recently refurbished Barry Rooms at the National Gallery

Restored rooms with a view

THE DECORATIVE effect is of a sumptuous but broad and massed character, derived chiefly from marble and a rather profuse use of gilding. The plinth is of black Belgian marble... the columns of green Genoa marble... the walls are crimson and the cornices are strongly gilt...

Gordon Boyer and Partners. As in all large projects in national institutions a multiplicity of advisers and committees attempt to guide the project... The restoration of the Barry Rooms and the re-hanging of the English pictures represent the outward and visible signs of major changes at the National Gallery...

much of the new picture lighting are invisible. It is said that while the roofs of the Barry rooms were being rebuilt the opportunity was not taken to install effective concealed additional lighting... The hanging of the pictures is plain and straightforward. They are given enough space, the four full length portraits in the domed octagon, including Raeburn's 'The Macnab'...



An air of magnificent splendour—restored rooms in the National Gallery

Fo finds the lady

THE Italians call her Elizabeth the Great. More parsimonious with hyperbole, the British reserve the title for a monarch who burnt cakes and championed the Anglo-Saxon language...

the bearded features of Bob Mason. An engaging performer of noble restraint, Mr Mason holds the play's comic kernel... 'Me oco be a bit gingerbeer this matin,' he announces in broad northern tones...

other reason, apparently, than to let the more knowing members of the audience give a self-conscious chuckle when they recognise a phrase... The political comment seems desperately superficial; and, more disturbing, the author appears to endorse the hoary old cliché (constantly disproved by history) that women are especially vulnerable to the dehumanising effects of power...

Martin Hoyle

First among farces

HAD ANY money left you before? I have, all mine's left me... So speaks the ingenious Aubrey Henry Maitland Allington and if the line leaves you cold, you'd have trouble tuning in to the very first of the Aldwych farces... For this production at the Lyttelton, yet another National group has been formed...

Harold Pinter

IN AN article about the National Theatre published on October 25 it was suggested that Harold Pinter resigned from the National Theatre because of remarks made about him in Peter Hall's Diaries... Pinter points out that the Diaries were published in September 1983 and that his resignation was dated some months earlier, on May 24.

Michael Coveney

Radio

Season starts with Chekhov

RADIO'S Russian season began on Sunday with a long concert by the Glinka Capella Choir, but it is not for me to write about music. The first week of the season, for me, was virtually a Chekhov week. We had two of the little one-act plays and Ioson, besides a re-broadcast of A Bolt from the Blue about Stanislavsky and Nemirovich-Danchenko, and a short story... The short plays may be written off as far as I am concerned. The Bear ('a stupid vaudeville' Chekhov called it) is a farce about a doleful widow and a coarse man who comes to collect a debt and ends in romance...

marry so young a girl. He shoots himself. Unlikeable as all the characters are, their lives are interesting, and the dialogue in the version by Sir John Gielgud that he made from Arlinda Nicolaeff's translation, is unfailingly stimulating. Add to the stimulus the performances of Judi Dench as Sasha and Alec McCowen as Ivanov, in a very lively production by Ronald Mason, and such faults as the play contains may be discounted... Lest Conservatives or others should feel that a month's Russian season is out of order, Radio 4 offered a palliative on Tuesday in the shape of a feature on contemporary Hungary. Those of us who haven't been to the brightest nation east of the Iron Curtain, but Judy Dempsey's Kadar's Children showed a different aspect. 'Kadar's children' are the Hungarians who have grown up since 1956, when many of their elders were executed or compelled to flee the 'hurt generation' they are called. Yes, there are shops and homes with luxuries in them, there are private cars on the roads, there are dissidents who remain untouched if they are well-known enough. But all this prosperity depends on two factors — one, that you have to do two jobs if you want to make enough to live decently, and two, that the flourishing black industry depends on corruption. If you can't make it in the state system, one interviewee said, it's up to you — a kind of Reaganism... 'The regime is much better than... one man began, then paused... some South American dictatorship,' he went on, safely. But it was 'hopelessly mediocre and grey'...

B.A. YOUNG

Britten's opera The Rape of Lucretia, composed after Peter Grimes and never comparably successful, was impressively resuscitated for the English National Opera by Graham Vick not quite three years ago. Vick's penchant for stark economy with sliding screens is of less help with some operas than others, but his production not only gives this curious, somewhat unpalatable piece everything it needs, but—at least as doesn't need—a rare virtue among modern opera-stagings. The piece is kept in severe, exact focus; everything can be seen and heard (even virtually of Ronald Duncan's libretto, unfortunately, which is strenuously poetic beyond excuse).

Britten in focus

Revised on Thursday night with the same cast, except that Alan Opie has taken over the secondary role of Junius, the opera is now conducted by Lionel Friend. He doubles as pianist in the chamber-size orchestra, which makes a good, forward sound in the Coliseum—a crucial matter, for even the inner orchestral voices must often have as much weight as the singers. Soberly and intelligently paced, the score carried well; some small faults surely won't happen again in later performances, and did no damage to this one.

Opie's staunch Junius made a solid contribution, and Richard Van Allan's Collatinus—the injured husband—is a plausible, wearily decent Roman elder even in his informal modern army dress. Russell Smythe makes a particularly plausible rapist, with a dangerous energy in the voice that doesn't sound like mere play-acting. Lucretia's servants are Anne-Marie Owens, beautifully smooth and effectively concerned, and Kathryn Pope, whose bright carolling supplies an essential element of relief in this dark score.

Davis Murray

Poet's life at work

AN EXHIBITION on the life and work of Philip Larkin has just opened in the library of University College, London, in Gower Street. Organised by Brian Dyson, Archivist of the University of Hull, the exhibition was originally put on view there as a memorial to the poet, who spent much of his working life in Hull... Larkin's conscientious career as a librarian is well attested. We are able to read his meticulously kept minutes of library meetings and his memos about air-conditioning and floor-loading, along with his plans for the stewarding of the Queen Mother's visit. The Poet Work was clearly something the poet suffered with diligence...

by Anthony Thwaite, who opened the exhibition on Tuesday... Larkin's life as a jazz-buff and jazz-critic is not neglected; there are photographs of his favourite trumpeters, including Wild Bill Davison and Bubber Miley, but naturally the main part of the exhibition consists of first editions, going back to...

Anthony Curtis

Video

Miss Goldberg's variations

WITH Whoopi Goldberg (Vestron), we get 76 minutes of the fascinating but erratic Whoopi Goldberg. The black comedienne, and star of The Color Purple, comes to you in a one-woman show 'direct from Broadway', which in the video world is publicist-speak for 'We have taped this show straight off the stage with no frills, so do not expect high production values'... Do not expect them from Miss Goldberg, either. The new sensation of the American comedy world looks on to the stage in black leather trousers, white t-shirt, and floppy blue parka. Then she swings into her gallery of deftly-impersonated characters: jive-talking junkie, East Coast yuppie, seven-year-old girl, West Indian matron, and crippled lady enjoying an improbable late-life romantic fling... Miss G on this evidence is a

highly-gifted comedienne who could do with both a stronger script and surer sense of self-projection. At best, her cast of human leftovers and castaways can be pungently downbeat, like Jules Feiffer heroines in blackface. At worst, the monologues maunder on as if physical mimicry were alone enough and verbal wit a needless luxury... Elsewhere, I fear, November is a month for keeping the VCR in another room as well. The video companies are all saving their best wares for Christmas. Although the bargain-price firms continue their winning habit of dispensing Golden Oldies for pin money—Casablanca, The Wizard of Oz, Modern Times among the latest—one can elsewhere command only odds and ends... Best for children: a new issue of Muppet anthologies from Virgin, containing the best from Miss Piggy and Kermit. Best for adults: feeling in a seditious mood: The Class of Nuke 'em High (Virgin), a spoof apocalypse thriller which had hardened critics rocking in the aisles at the recent Taormina Film Festival... Creeping over the horizon, more ominously, this month is

copies of The North Ship, and the novel Jill, both published by the Fortune Press in 1945 and 1946; there are also manuscripts, worksheets, notebooks and exchanges about his poetry in progress with George Hartley whose Hull-based Marvell Press published Larkin until he was taken up by Faber & Faber... All lovers of Larkin's work will surely wish to visit the show, which remains open until December 5... Anthony Curtis

Chess No. 645

1 P-K4 and 2 Q-N4. If the BK has gone to KB1, KB2 or KB3, then 3 Q-Q7, otherwise 3 Q-KN7 with mate in another three moves at most—work it out!

One again, Jane does things with her limbs that you would hesitate to do to your worst enemy. And, once again, she shouts happy encouragement over the boppy music and continues to look criminally slim and beautiful for a lady of —

Nigel Andrews

Royal Opera House advertisement. Includes text: 'The Board of Directors of the Royal Opera House, Covent Garden, is considering the choice of a successor to Sir John Tooley, who is due to retire in July 1989 as General Director, and invites applications for this post... Applications should be accompanied by curriculum vitae and the names of three persons to whom the Board may refer. They should be marked in strict confidence and be sent, to arrive not later than December 15th to the Chairman of the Board: Sir Claus Moser, KCB, CBE, FBA, Royal Opera House Covent Garden Limited, PO Box 284, London WC2E 7QX.'

RICHARD GREEN advertisement. Includes text: '4 New Bond Street, London W1Y 9PE. Telephone: 01-493 3939 Telex: 2376 GREEN G. Signed Board 16 x 24 inches EDWARD SEAGO 1910-1974'

COLNAGHI advertisement. Includes text: '14 OLD BOND STREET, LONDON W1X 4JL. 26 EAST 86th STREET, NEW YORK NY 10021. EXHIBITION OF OLD MASTER PAINTINGS November 5 through December. A Catalogue in three volumes is available on request. This exhibition may be viewed in our London Gallery'

WEEKEND FT

SPORT

Rows involving Ian Botham and Somerset have rocked cricket this year. Today, a resolution looms...

The eternal schoolboy

THERE'S A breathless hush in the club tonight; men are hurriedly leaving pavilion bars and jostling for the best view; TV rental shops are surrounded by expectant shoppers; schoolboys are furiously switching on to Brian Johnston and Fred Trueman on Radio 3...

properly argues that for many years the automatic manner of Botham's selection did neither the player nor the team much good. However, the absence of challenging all-rounders in the English game makes this an understandable problem.

PHILIP COGGAN looks at new books about England's greatest all-rounder

Before we impose some kind of blanket condemnation on the man, however, let us find some perspective. He walked from John O'Grada to Land's End for charity. As Peter Roebuck, in a fascinating book with and about Botham, writes: "Let the stone throwers raise £710,000, let them bring the joy which Botham brought in 1981. They are a miserable lot."

In the Oval Test this year, Botham passed Lillee's record of 355 Test wickets. More importantly, he has taken five wickets in an innings (the key to dismissing a side), 26 times. Not bad for a lad who had the mickey taken out of his bowling until he was 16.

Whatever his bowling achievements his batting will go down in legend. As a boy, I heard tales from my grandfather of Gilbert Jessop, the hitter. Botham must have been as hard and as far as Jessop did, but he is a genuine stroke-player, not a slogger. He can cut, pull, cover drive and hook so that the poor bowler finds that all the ruses he has learnt, all the guile, all the technique, serve only as fodder for the Botham bat.

Cosy county faces harsh reckoning

THE COSY world of Somerset cricket is about to suffer a nasty attack of reality. In the past 10 years it has been carried by the exploits of Vic, Big Bird, Both, Rosie, Dasher, the Professor and Co, particularly in one-day events. Now the scythes are out, and some of the tallest grasses are bound to be cut down.

This afternoon the Somerset members assemble at the Royal Bath and West show ground, Sionton Mallet, to vote on a special issue: whether to support the committee and their captain, Peter Roebuck (the Professor), in their refusal to renew the contracts of Vic, Big Bird, Both, Rosie, Dasher, the Professor and Co, particularly in one-day events.

The die was cast on August 12, when the committee chose not to renew the two West Indians' contracts. Richards and Garner were informed the next day, and there was no quickly hardened round the likes of Richard Weston, a Tauton solicitor, and Bridget Langdon, a housewife. Their argument runs that Somerset owes a debt to the two West Indians and that both of them still have a valid contribution to make to the club. This is particularly true of Richards, who at 34 is in his prime.

discover how contradictory are the demands of captaincy. He has been something of a rebel himself in the past, previously allying himself good-humouredly with anti-establishment causes in the club. A Cambridge law graduate (first class), Roebuck is a complex character who has taken an involved and realistic view of the situation as it developed. He says that his judgment has changed, and that the case for swapping Crowe for Richards and Garner has become crucial for Somerset's future.

While the Somerset administration have certainly done some good, they deserve to get the benefit of the doubt. If the axis swings in Richards' favour, the club would thereby take two, or probably three, steps backwards. They owe it to their captain to back his judgment (and the young players all back the captain, even if they do not dare to do so publicly).



The club takes the view that the contracts were not renewed because the atmosphere in the club was already badly coloured, and that they had to make a decision on Martin Crowe, the brilliant New Zealand all-rounder, who is not far behind Richards in ability; he was registered with Somerset, having played for them in 1984, but had also been approached by the champions, Essex, for next season.

NICHOLAS KEITH previews an event which might tear apart a famous club

attended a "rebel" meeting and spoke in his own defence; the normally placid Garner has claimed the Roebuck planned to sweep away the committee, while he feels "used". He agrees with his captain that the problems started "four or five years ago and have got worse. What is lacking is man management."

Roebuck points to the failures of Somerset in the county championship—where their best finish was third in 1981—where they still have to prove their worth. In the past two seasons they have finished second bottom and bottom, and must rebuild. "We are talking about the management of a cricket team," he says with the full knowledge of the merits of this statement, serious and ultimately trivial.

FT CROSSWORD PUZZLE NO. 6,172

Crossword puzzle grid with clues for Down and Across. Includes a 'DINMUTZ' section with a grid of letters.

SOLUTIONS and WINNERS OF PUZZLE NO. 6,171. Lists names and addresses of winners for various puzzle categories.

SATURDAY TELEVISION AND RADIO

SATURDAY Television and Radio listings. Includes programs like 'The Muppet Show', 'The Lord Mayor's Show', 'The Noel Edmonds Late Late Breakfast Show', 'BBC 1', 'BBC 2', 'LONDON', 'ANGLIA', 'BORDER', 'CENTRAL', 'GRANADA', 'HTV', 'SCOTTISH', 'TYNE TEES', 'ULSTER', 'YORKSHIRE', 'TVS', 'WALSLEY', 'WYVERN', 'WYRE'.

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SUNDAY TELEVISION AND RADIO

SUNDAY Television and Radio listings. Includes programs like 'The Muppet Show', 'The Lord Mayor's Show', 'The Noel Edmonds Late Late Breakfast Show', 'BBC 1', 'BBC 2', 'LONDON', 'ANGLIA', 'BORDER', 'CENTRAL', 'GRANADA', 'HTV', 'SCOTTISH', 'TYNE TEES', 'ULSTER', 'YORKSHIRE', 'TVS', 'WALSLEY', 'WYVERN', 'WYRE'.

SUNDAY TELEVISION AND RADIO listings. Includes programs like 'The Muppet Show', 'The Lord Mayor's Show', 'The Noel Edmonds Late Late Breakfast Show', 'BBC 1', 'BBC 2', 'LONDON', 'ANGLIA', 'BORDER', 'CENTRAL', 'GRANADA', 'HTV', 'SCOTTISH', 'TYNE TEES', 'ULSTER', 'YORKSHIRE', 'TVS', 'WALSLEY', 'WYVERN', 'WYRE'.

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